Vimta Labs Limited
Registered Office
142, IDA Phase II, Cherlapally
Hyderabad-500 051, India
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Vimta
Driven by Quality. Inspired by Science.

VLL\10\S-004\2020\
Date : 14.08.2020

Listing Centre
BSE Limited
PJ Towers, Dalal Street
Mumbai : 400001
Scrip Code : 524394

Asst. Vice President
National Stock Exchange of India Limited
"Exchange Plaza", Bandra
Kurla Complex, Bandra (E)
Mumbai – 400051
Symbol : VIMTALABS

Dear Sir/Madam,

Sub: **Intimation of date of 30th Annual General Meeting (AGM), Book closure and e-voting.**

This is to inform you that the 30th AGM of the Company will be held on **Wednesday, 9th September 2020 at 10.00 a.m. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

We also hereby inform you that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of members and share transfer books of the Company will be closed from **Thursday, 3rd September 2020 to Wednesday 9th September 2020 (both days inclusive)** for the purpose of AGM.

The Company is providing remote e-voting facility before the AGM as well as e-voting facility during the AGM as per the calendar given below:

Sl. No.	Event	Day, Date & Time
1	Cut-off date for record of members participating in AGM through VC. (The members in record as on cut-off date would be eligible to cast their votes through remote e-voting and e-voting during the AGM)	Wednesday, 2nd September 2020
2	Remote e-voting will commence on	Sunday, 6th September 2020; 09:00 a.m. (IST)
3	Remote e-Voting will end on	Tuesday, 8th September 2020; 05:00 p.m. (IST)
4	Staring time for e-voting on the date of and during AGM	Wednesday, 9th September 2020; 09.30 a.m. (IST) The closure time for e-voting will be announced in the AGM.
5	Day, Date and Time of AGM	Wednesday, 9th September 2020; 10.00 a.m. (IST)
6	Service provider for e-voting platform & e-AGM	Central Depository Services (India) Limited
7	Website of the service provider (CDSL) for e-voting	www.evotingindia.com

Please find the enclosed notice and annual report of 30th AGM. The annual report of the Company for FY 2019-20 together with notice of AGM is made available on the website of the Company at: https://www.vimta.com/downloads/Annual%20Report%20-%202019-2020.pdf

This is for your information and records.

Thanking you,

Yours faithfully,
for VIMTA LABS LIMITED

VIMTA LABS LTD. HYDERABAD-51.

Sujani Vasireddi
Company Secretary
Encl: as above.

Vimta

Driven by Quality. Inspired by Science.

Notice Calling

30th

Annual General Meeting

Scheduled to be held on
Wednesday, 09th September, 2020

Vimta Labs Limited

CIN : L24110TG1990PLC011977

Registered Office: Plot Nos. 141/2 & 142, IDA

Phase II, Cherlapally, Hyderabad - 500 051, India.

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

NOTICE

NOTICE is hereby given that the Thirtieth (30th) Annual General Meeting of the Members of **Vimta Labs Limited** will be held on **Wednesday, 9th September, 2020 at 10.00 a.m. IST** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   (a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the reports of the Board of Directors and the Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020, together with the report of the Auditors thereon.

2. To appoint a Director in place of Shri. Harriman Vungal (DIN: 00242621) who retires by rotation and being eligible, offers himself for reappointment. He continues to hold his position as the whole time director for the rest of his tenure.

SPECIAL BUSINESS:

3. **Ratification of remuneration of cost auditors.**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, a remuneration of ₹ 65000/- (Rupees sixty-five thousand only) payable to M/s U S Rao & Co (Regn. No.33808), Cost Auditors of the Company for the audit of cost records maintained by the Company for the financial year ending 31st March, 2021 which was approved by the Board of Directors be and is hereby ratified."

4. **Insertion of New Main Objects vide Clause No. 5 and 6 of the Memorandum of Association.**

   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 Section 13 of the Companies Act, 2013 ("the Act") read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable provisions, the Clause III(A) of the Memorandum of Association be and is hereby amended by inserting the following new object clause as sub clause No. 5 and 6 after the sub clause III(A) (4)."

   Clause 5: "To undertake the business of conducting full spectrum of clinical trials".

   Clause 6 : "To carry on the business of Software designing, development, customization, implementation, maintenance, and testing, including cloud solutions, and to import, export, sell, purchase, distribute, host or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up any IT enabled services and to provide consultancy services in the above mentioned areas".

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

5. **Appointment of Dr. Yadagiri R Pendri (DIN:01966100) as a Director and as an Independent Non-Executive Director**

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

   "RESOLVED THAT Dr. Yadagiri R Pendri (DIN:01966100) who was appointed as an Additional Director of the Company with effect from 10th August, 2020 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

   "RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Dr. Yadagiri R Pendri (DIN:01966100), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. 10th August, 2020 to 9th August, 2025 (both days inclusive), be and is hereby approved."

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

6. Consent of the company to the Board U/s.180(1)(c) and (2) of the Companies Act, 2013 to borrow money up to ₹175 Crores.

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

"RESOLVED THAT pursuant to the provisions of Sections 180(1)(c) and (2) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from one or more Banks, and/or, Financial Institutions, other Persons, Firms and Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of its paid-up share capital, free reserves and Securities Premium, provided that the total outstanding amount so borrowed by the Board of Directors shall not exceed the limit of ₹ 175 Crores at any given point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. Consent of the company to the Board U/s.180(1)(a) of the Companies Act, 2013 to mortgage, hypothecate, create lien or charge on the immovable and movable properties of the company

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge, mortgage, pledge, hypothecate and offer as security in addition to the existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company from time to time, subject to the limit approved under section 180(1)(c) and (2) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / Agency(ies), in respect of the said loans / borrowings / debentures / securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / Agency(ies), etc."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage(s) and/or charge(s), hypothecation(s) as aforesaid, and to accept any modification(s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

By Order of the Board
For Vimta Labs Limited

Place: Hyderabad
Date: 10th August, 2020

Sujani Vasireddi
Company Secretary

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No.3:

The Company is maintaining the cost records in pursuance of Section 148(1) and getting audited by a Cost Auditor in pursuance of Section 148(2) of the Companies Act, 2013 read with Rules made thereunder.

Accordingly, on recommendations of Audit Committee the Board of Directors have approved the appointment of the M/s U S Rao & Co, Cost Accountants (Regd No. 33808), to carry out cost audit of the cost records of the Company for the financial year ending 31st March, 2021 at a remuneration of ₹ 65,000/- (Rupees sixty five thousand only).

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

None of the Directors are in anyway concerned or interested in the resolution set out at item No.3 of the Notice.

The Board recommends the Ordinary Resolution set in this item No: 3 of the Notice for approval by the members.

Item No. 4

Company has been conducting Bioavailability studies and now proposes to expand by undertaking full spectrum of clinical trials. To add value to the existing business, Company intends to improve productivity/efficiencies of various processes by digitising them. This may require customization of available IT solutions or may need development of new software solutions. In addition to deployment of such solutions in-house, Company may respond to opportunities of selling such solutions.

Amendment of objects clause requires the approval of members as per the provisions of Section 13 of the Companies Act.

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

The Board recommends the Special Resolution set in this item No: 4 of the Notice for approval by the members.

Item No.5

Based on the recommendations of the Nomination & Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on 10th August, 2020 has appointed Dr. Yadagiri R Pendri (DIN: 01966100) as an Additional Director in the capacity of Independent Non-Executive Director on the Board of the Company who holds his office up to the date of this Annual General Meeting.

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

The relevant particulars of Dr. Yadagiri R Pendri as required under the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per SS-2 issued by Institute of Company Secretaries of India (ICSI) is annexed to this notice.

Copy of draft letter of appointment of Dr. Yadagiri R Pendri setting out the terms and conditions of appointment is available for inspection by the members at the website of the Company.

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

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

Item Nos. 6 &7:

The Company's current business expansion plans and new business plans in long term needs additional funds in the coming years. The company plans to raise the required funds for this expansion plans from one or more banks, financial institutions, firms, Bodies corporate and National and International lending institutions. As per the provisions of Section 180(1)(c) of the Act, the Board of Directors cannot borrow more than the aggregate amount of the paid-up share capital, free reserves and securities premium except with the consent of the members of the Company in a general meeting by way of a special resolution and further as per Section 180(2) of the Act, such special resolution shall specify the total amount up to which monies may be borrowed by the Board of Directors.

At present, the aggregate of the paid up share capital, free reserves and securities premium of the company is standing at ₹ 175 crores. Hence, it is proposed to seek the consent of shareholders by way of special resolution to borrow money up to a limit of ₹ 175 crores, including the already borrowed amounts.

In order to facilitate securing the borrowings for the Company, it may be necessary to create charge or mortgage or hypothecate all or some of the assets of the company or whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertakings. Hence, the Board is seeking the consent of the shareholders U/s. 180(1)(a) of the Companies Act, 2013 by way of special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.6 & 7 of the Notice.

The Board recommends the Special Resolutions set out in Item Nos. 6 & 7 of the Notice for approval of the members.

By Order of the Board
For Vimta Labs Limited

Place: Hyderabad
Date: 10th August, 2020

Sujani Vasireddi
Company Secretary

Annexure

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per SS-2 issued by ICSI

Particulars	Item No. 2	Item No.4
Name	Shri Harriman Vungal	Dr. Yadagiri R Pendri
DIN	00242621	01966100
Date of first Appointment	16.11.1990	10.08.2020
Designation	Executive Director-Operations	Independent Non-Executive Director
Date of Birth	01.10.1951	10.04.1956
Qualification	D.Tech, from Toronto, Canada	Ph.D. National Chemical Laboratory, Pune, India Postdoc: UT Southwestern Medical Center, Dallas, Texas, USA
Expertise in specific functional Areas	D.Tech. from Toronto, Canada with over 41 years of business management experience. He is one of the promoter Directors of the company and has been its Director since inception.	More than thirty years' experience in pharmaceutical research and development and has led several research programs to deliver novel drug candidates to market. He was Director at Bristol Myers Squibb & Co. USA and subsequently founded Escientia Life Sciences, a contract development and manufacturing organization (CDMO) to develop and manufacture Active Pharmaceutical Ingredients (API) to supply to global pharmaceutical and biotech companies
Terms and conditions of appointment and details of last salary drawn	Retiring by rotation, being eligible offers himself for reappointment and last salary drawn is ₹ 10,00,000/- p.m	The Director is appointed as an Additional Director w.e.f 10.08.2020 in accordance with the terms and conditions of appointment of Independent Directors as adopted by Company which is placed on the website of the Company. Further his appointment is placed for regularization at this AGM.

Particulars	Item No. 2	Item No.4
Number of meetings of the Board attended During the year	4	NA
Disclosure of relationship between directors inter-se	N A	N A
Shareholding as on 31.03.2020	1777893 shares	Nil
Directorships		
Board (Listed entities)	Nil	Nil
Committees (Listed entities)		

NOTES:

1. In view of the prevailing COVID-19 pandemic situation across the country, MCA (Ministry of Corporate Affairs) vide circular Nos. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 read with Circular No. 20/2020 dated 05th May, 2020, permitted for holding of AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for the calendar year 2020. As such in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. 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 MCA Circulars, 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 voting during the AGM will be provided by CDSL.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above forms part of the Notice.

4. The Register of Members and Share Transfer Books of the Company will remain closed from **3rd September 2020 to 9th September 2020 (both days inclusive)** for the Annual General Meeting.

5. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re- appointment at this AGM is annexed.

6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical Attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the Stock Exchange Board of India (SEBI) circular, the facility for appointment of Proxies by the members will not be available for this AGM and hence the proxy form, attendance Slip and route map of the AGM venue are not annexed to this notice.

7. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, CIL Securities Limited (RTA) at rta@cilsecurites.com for assistance in this regard.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to CIL Securities in case the shares are held by them in physical form.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

10. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all equity shares in respect of which dividend has not been

paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares becoming due to be transferred to the IEPF. In the event of transfer of equity shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website, websites of the Stock Exchanges i.e. Bombay Stock Exchange Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 8th September, 2020 through email on shares@vimta.com. The same will be replied by the Company suitably.

13. The Statutory Registers and the documents pertaining to the items of business to be transacted at the AGM are available for inspection in electronic mode. The members may write an e-mail to shares@vimta.com and the Company shall respond suitably.

14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

15. Instructions for e-voting and joining the AGM are as follows:

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at https://www.evotingindia.com under Members/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in members login where the EVSN of Company will be displayed.

2. 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 to atleast 1000 members on first come first served basis. This will not include large Members (Members 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.

3. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **between 4th September, 2020 (09:00 a.m.) to 6th September 2020 (05:00 p.m.)** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The Members who do not wish to speak during the AGM but have queries may send their queries in **between 4th September 2020 (09:00 a.m.) to 6th September 2020 (05:00 p.m.)** 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. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Members are encouraged to join the Meeting through Laptops / IPads for better experience.

6. Further Members will be required to allow Camera and unmute microphone when they are permitted to speak only and use Internet with a good speed to avoid any disturbance during the meeting.

7. 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.

8. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 2nd September, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut- off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.

9. The Company has appointed Mr. Datla Hanumanta Raju, or failing him, Ms. Shaik Razia, Partners, D. Hanumanta Raju & Co., Practising Company Secretaries, Hyderabad, as the Scrutinizer to the e-voting process and voting at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

10. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the AGM, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
11. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website: www.vimta.com and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company scheduled to be held on 9th September, 2020.
12. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 9th September, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on **6th September 2020; 09:00 A.M. and ends on 8th September 2020; 05:00 P.M.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **2nd September 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote on the day of the meeting.

(iii) The Members should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Members" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasiusing your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) • Members 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.
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. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xviii) 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.

(xix) Members can also cast their vote using CDSL's mobile app "m-voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) Note for Non – Individual Members and Custodians

- Non-Individual Members (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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Members are required 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; shares@vimta.com/dhr300@gmail.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical Members- please provide necessary details such as Folio No., Name of member, 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 shares@vimta.com/rta@cilsecurties.com
2. For Demat Members -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to shares@vimta.com/rta@cilsecurties.com

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members, 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.
3. If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
4. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

General Guidelines for Members

1. Institutional Members (i.e. other than individuals, HUF,NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dhr300@gmail.com.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.com to reset the password.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr.Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Driven by Quality. Inspired by Science.

Vimta Labs Limited

CIN : L24110TG1990PLC011977

Registered Office: Plot Nos. 141/2 & 142, IDA

Phase II, Cherlapally, Hyderabad - 500 051, India.

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

Driven by Quality. Inspired by Science.

30th Annual Report 2019 - 20

Vimta Labs Limited

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

Table of Contents

CORPORATE INFORMATION

Board of Directors

Dr. Sivalinga Prasad Vasireddi
Chairman (Non-Executive)
DIN: 00242288

Smt. Harita Vasireddi
Managing Director
DIN: 00242512

Shri. Harriman Vungal
Executive Director – Operations
DIN: 00242621

Shri. Satya Sreenivas Neerukonda
Executive Director (w.e.f. 14th July 2019)
DIN: 00269814

Smt. Prameela Rani Yalamanchili
Independent Director
DIN: 03270909

Shri. Purnachandra Rao Gutta
Independent Director (w.e.f. 11th May 2019)
DIN: 00876934

Shri. Sanjay Dave
Independent Director (w.e.f. 11th May 2019)
DIN: 08450232

Dr. Yadagiri R Pendri
Additional Director - Independent Director (w.e.f. 10th August 2020)
(DIN: 01966100)

Shri. Adeyya Chowdary Popuri (P A Chowdary)
Independent Director (w.e.f. 11th May 2019 up to 30th June 2020)
DIN: 02936505

Shri. Veerabhadra Prasad Vasireddi
Executive Director – Administration (up to 14th July 2019)
DIN: 00242355

Shri. Totapalli Sundar Raman Ajai
Independent Director (up to 16th May 2019)
DIN: 00282537

Shri. Rao Purnachandra Potharlanka
Independent Director (up to 16th May 2019)
DIN: 05186036

Key Managerial Personnel

Shri. Amit Pathak
Chief Financial Officer

Smt. Sujani Vasireddi
Company Secretary & Compliance Officer

Auditors

Statutory Auditors
Gattamaneni & Co.
(Firm Reg. No 009303S)
Chartered Accountants, Hyderabad

Internal Auditors
M/s JVSL & Associates
(Firm Reg. No. 015002S)
Chartered Accountants
(Up to 5th March 2020)
Chaitanya V & Associates
Chartered Accountants
(w.e.f. 9th March 2020)

Secretarial Auditors
D Hanumanta Raju & Co.
Company Secretaries, Hyderabad

Cost Auditors
U S Rao & Co.
(Firm Reg. No. 102629)
Cost Accountants, Hyderabad

Registrar & Share Transfer Agent

CIL Securities Limited
214, Raghava Ratna Towers,
Chirag Ali Lane, Abids
Hyderabad -500001

Registered Office

Vimta Labs Limited
141/2 & 142, IDA, Phase-II,
Cherlapally
Telangana – 500051

Bankers / Financial Institutions

Axis Bank Limited
Kotak Mahindra Bank Limited
CISCO Systems Capital (India) Private Limited

Life Sciences Facility

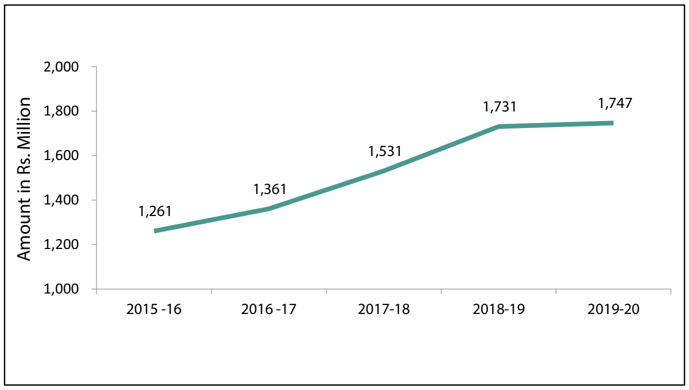
Plot No.5, MN Science & Technology Park,
Genome Valley, Shameerpet, Hyderabad,
Telangana - 500101

Subsidiary

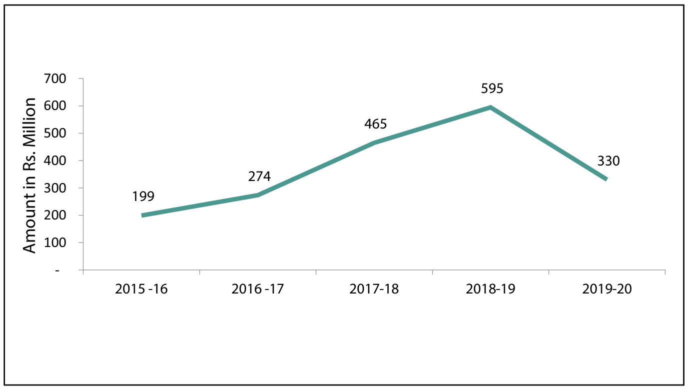
Emtac Laboratories Private Limited
(A wholly owned subsidiary of Vimta Labs Limited)
(w.e.f. 4th March 2020)
Plot No. 11/6, Road No.9 IDA, Nacharam, Hyderabad, Telangana - 500076

COMPANY AT A GLANCE

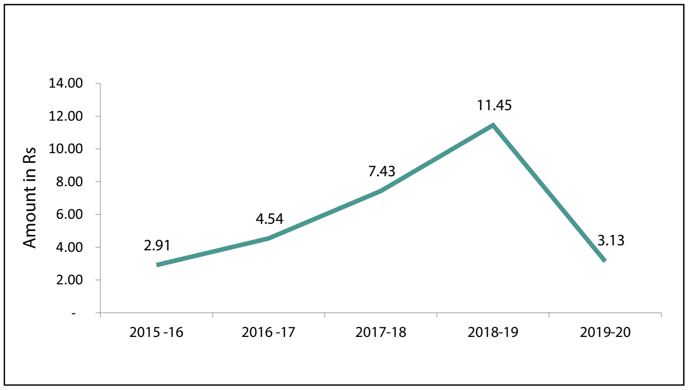
Net Worth



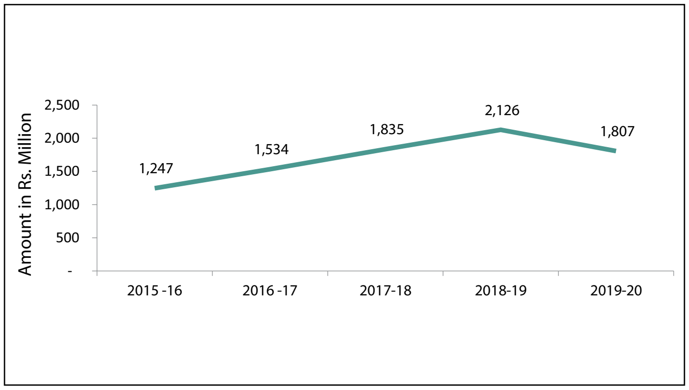
EBITDA



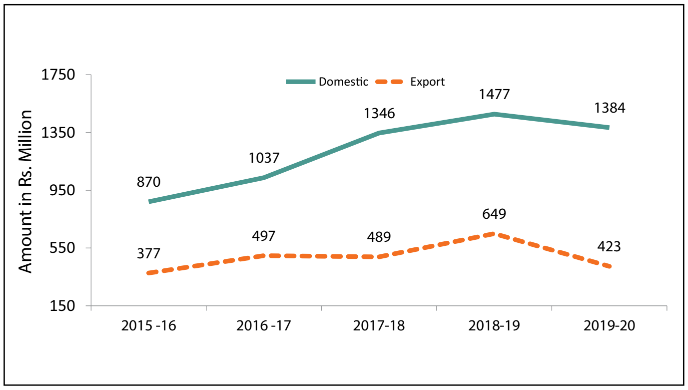
EPS



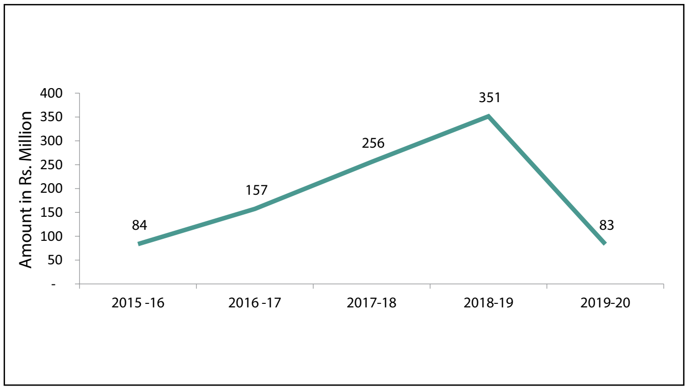
Revenue



Domestic Vs Export Revenue



PBT



BOARD'S REPORT

Dear Members,

Your Directors hereby present the 30th Annual Report together with the Standalone & Consolidated Audited Financial Statements for the year ended 31st March 2020.

1. COMPANY'S PERFORMANCE

During the year under review, your Company had achieved a turnover of ₹ 1,806.74 million as compared to ₹ 2,126.41 million in the previous financial year. The Profit Before Tax is at ₹ 83.46 million as compared to last year's Profit Before Tax of ₹351.41 million. The consolidated overheads of your company comprising Other Expenses, Manpower Cost on year on year basis did not commensurately decrease being fixed/semi variable in nature. The Profit Before Tax is reduced year on year primarily due to decrease in revenue from operations and slight increase in material consumption percentage.

Your company has seen a de-growth in revenue and profit mainly due to temporary slowdown in pharma customers' projects and pricing pressures in H1 2020. Necessary steps were taken to address the slow project pipelines and competitive challenges in H1 which resulted in improved Q3 2020 performance. Q3 has been a good quarter as compared to the first half and was in line with the growth the company had experienced till FY2018-19. We expected Q4 2020 to do better than Q3, but for the unexpected impact of Covid-19 and lockdowns in the overseas countries in early Q4 2020 and the national lockdown in March 2020 which impacted both the export revenue and also domestic revenue of the Company.

Your company has achieved a double digit growth in previous four years with the exception of FY 2019-20 which has been mix of challenges due to slow down in pharma related project pipelines and the pandemic situation across the globe. Your company is committed to continue its earlier growth trajectory going forward and has taken all the necessary actions to achieve its goals.

2. FINANCIAL SUMMARY

The Financial performance of your Company for the year ended 31st March 2020 is summarized below.

(₹ in Millions)

Sl. No.	Particulars	Year Ended March 31, 2020		Year Ended March 31, 2019
		Standalone	Consolidated	Standalone
I	**Income**			
	Revenue from Operations	1,806.74	1,807.12	2,126.41
	Other Income	30.18	30.18	19.27
	Total Income (i+ii)	**1,836.92**	**1,837.30**	**2,145.68**
II	**Expenses**			
	Cost of material consumed and testing expenditure	533.81	533.85	591.99
	Changes in inventories of work-in-progress	3.60	3.60	(7.78)
	Employee benefits expense	614.29	614.74	592.53
	Finance costs	37.65	37.65	46.07
	Depreciation expense	209.22	209.33	197.23
	Other expenses	354.89	355.43	374.23
	Total Expenses	**1,753.46**	**1,754.60**	**1,794.27**
III	**Profit before tax (I-II)**	**83.46**	**82.70**	**351.41**
IV	**Tax expense**			
	(a) Current tax	33.61	33.61	115.20
	(b) Prior year adjustments	(3.91)	(3.91)	(8.82)
	(c) Deferred tax (benefit)/expense	(15.51)	(15.45)	(8.08)
	Total Tax Expense	**14.19**	**14.25**	**98.30**
V	**Profit for the year [III-IV]**	**69.27**	**68.45**	**253.11**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement of the net defined liability	(2.53)	(2.53)	(6.78)
	(b) Income tax relating to the above item	0.64	0.64	1.97
	Total other comprehensive (loss) / income for the year	**(1.89)**	**(1.89)**	**(4.81)**
VII	**Total Comprehensive income for the year [V-VI]**	**67.38**	**66.56**	**248.30**
VIII	**Earnings per share**			
	Basic (INR)	**3.13**	**3.10**	**11.45**
	Diluted (INR)	**3.13**	**3.10**	**11.45**

3. MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Services

Vimta Labs Ltd., is India's most comprehensive, contract research and testing organization, providing wide range of services to pharmaceutical, biopharmaceutical, food, consumer products, agrochemical, healthcare, medical device and many other industries. Broadly, the services include,

- Drug life cycle management, development and discovery support services in the areas of preclinical research (GLP and non-GLP), clinical research, central lab and cGMP as well as non-GMP analytical services for pharmaceutical and biopharmaceutical companies;
- Preclinical research and testing services for medical device companies;
- Contract research and testing for Agro-science companies;
- Food testing and analytical development services to support manufacturers, processors, farmers, retailers, traders, exporters, regulators (viz. FSSAI, BIS, APEDA, EIC, etal.). VIMTA is a National Referral Lab for testing of Water, Alcoholic & Non-Alcoholic Beverages;
- Clinical diagnostic services with patient service and sample collection centers across India;
- Environmental services such as impact assessments and post project monitoring, to various industries such as power, infrastructure, cement, oil & gas, mining etc., and
- Electronic and electrical products testing (services expected to commence towards end of FY 2020-21).

Team & Infrastructure

Vimta has India's largest foot print of modern laboratory space (~350,000 sf.ft.), equipped with latest technologies and IT infrastructure. Headquartered in Hyderabad, Vimta has a network of 16 labs in India, including food testing labs and clinical diagnostics labs. With a highly diverse, multi-disciplinary team of 1000+ people, including scientific and technical professionals, our Company's expertise and high standards of quality systems have enabled us to partner with global market leaders, as well as small, medium and virtual companies, across industries.

Vision

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

Core Values

- Integrity of service through honesty, responsibility and an uncompromising commitment to Quality and Customer service.
- Respect for all our team members, partners, customers, suppliers and all other people our business interacts with.

Core Strategies

Company's Management is experienced in navigating business through challenging economic times and managing operations as per demand in various markets. Despite the challenges and uncertainty created by the Covid-19 pandemic, we remain focused on our vision and the long term key strategies. We are committed to continue building and growing a comprehensive integrated service organization through the following core strategies:

Innovation & technology– We Continuously invest to build new capabilities and adopt cutting edge technologies to create new services aiming to deliver end-to-end testing, development, discovery and laboratory services to the customers, supported by robust IT solutions to provide scientific solutions to customers.

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

Knowledge – People are the strength of Vimta. We continue to focus on attracting and retaining quality talent through a culture of trust and performance. The diverse education, skills and experience of our team is harnessed for operational excellence and to deliver trusted results and cross functionally scientific and reliable data.

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

Investments

During its 36 years of journey, VIMTA has always adapted to market trends and economic environments. It's multi-basket services are continuously leveraged to stay resilient and pursue long term strategic objectives for growth. All investments, long term and short term, are strategically made to support our vision and business objectives. Our company firmly believes, that it is at a good growth inflection point and has made the right investments over the years. The revenues reached after almost 30 years of business since inception in 1984, could be doubled in just 6 years thereon. We believe year FY2019-20 was an aberration and FY2020-21 would also see some impact on the operations and revenue from certain services due to the pandemic. However, in the long term, we believe our Company has made the right investments to grow by taking advantage of the market trends outlined in subsequent sections.

To share just a few examples of our continued strategic focus on developing market relevant new capabilities, even in the current pandemic situation, we have launched services to test for Covid-19 in humans, environmental waste water, and surfaces. We have developed analytical capabilities to support vaccine development programs. We have also undertaken steps to mitigate the risks in environmental services by introducing some specialized services.

Impact of Covid-19 Pandemic

Company has been impacted by Covid-19 pandemic in the last quarter (early 2020) of the financial year being reported, which was expected to be better than the earlier quarter. New projects from Asian markets, particularly from China, were held up. Business development plans related to overseas travels were rolled back. Towards end of March 2020, lab operations were shut at many branch locations, with only Headquarter laboratories in Hyderabad open at lean levels, bringing sales to a standstill during that period due to non-closure of projects and reports.

Current State of Affairs

Management continues to closely monitor the developments during this pandemic and business continuity is ensured to provide essential services to food, pharmaceutical and healthcare customers through leverage of multi-site operations spread across several States.

Health and safety of the workforce has been, and will continue to be, a priority for the Company. All operations strictly comply with the governmental guidance and requirements issued from time to time, for control and prevention of spread of virus. Several significant steps have been taken as preventive measures to ensure the health and safety of our employees and continuity of operations. Company remains in close communication with all its customers and vendors, and has been able to seek as well as provide necessary support of customers and vendors to minimize the impact of the pandemic on its business.

In March 2020, business continuity plans were implemented immediately to run essential operations at main facilities in Hyderabad without any suspension. Projects' deliverables did get impacted however, early April onwards priorities were handled in consultation with customers. Tremendous team efforts were mobilized to continue operations without any halt to handle essential services and priority projects, while keeping employee safety at the heart of all activities.

Up to mid May 2020 there was a slow down in sample flows due to logistic constraints post which, there is barely any decline seen in business for food and pharmaceutical samples/ projects'. Business for Clinical diagnostics has been impacted due to situations in healthcare segment, but since June this has been well compensated by local business. However, the Environmental business is impacted which is related to deployment of workforce in off-site works across the country in various projects, and also the clinical research projects execution has slowed down due to challenges in volunteer safety management.

Overall, despite the inevitable operational setbacks in a few services, the timely implementation of our business continuity plans, has minimized loss of time and productivity, and reduced the Covid-19 impact on operations.

Management opines that the fundamentals of our business remain very strong, and we expect that we can continue to meet customer demand and project delivery schedules going forward. However, unpredictability related to periodic lockdowns in various states and impact of Covid-19 on employees' health and attendance at work could create temporary operational setbacks.

Industry Overview & Trends

Life Sciences

The global pharmaceutical analytical testing outsourcing market size is expected to reach USD 11.4 billion by 2027, registering a CAGR of 8.3% over the forecast period according to a Research and Markets March 2020 report. Increasing pipelines for biological candidates, rising demand for additional analytical details on drugs, and process development, by regulatory agencies are boosting the market growth. Patent cliffs, particularly for small molecules in the pharmaceutical industry lead to a decline in revenue, thereby affecting profits. Over the next few years, several best-selling biologics would also come toward the end of patent life. Pharmaceutical R&D pipelines of big players are strained to deliver new products to the markets, with decreasing ROIs as per a Deloitte research report. Drug innovators are therefore under constant pressure to bring new products through the pipeline at a faster rate. Developing advanced analytical testing to assess and monitor the quality attributes of these products requires a broader set of equipment and expertise, which is beyond the internal capacity of many pharma companies. This would subsequently lead to increased instances of outsourcing pharmaceutical analytical testing services.

Likewise, the global preclinical CRO market size is also expected to register a CAGR of 8.3% and reach USD 7.8 billion by 2027. Pharmaceutical companies' growth is dependent upon development of new drugs and therefore many companies are outsourcing these activities to manage the drug discovery and development processes efficiently. Increasing prices and changes in reimbursement policies are also anticipated to boost outsourcing in emerging countries such as India and China.

A Research and Markets report summarizes that Toxicology testing held the largest share in the service segment in 2019 due to increasing trend of outsourcing, especially in emerging countries. Bioanalysis is expected to grow with the highest CAGR of 8.8% over the forecast period. North America dominates the market with the largest share of 47.5% in 2019 owing to advanced healthcare infrastructure in the region. The Asia Pacific region is projected to witness the fastest growth during the forecast period owing to government support in development of outsourcing hubs along with availability of skilled practitioners.

Over the past 15 years, outsourcing of biologics has continued to increase steadily at a rate of around 4% annually. This is already accelerating, at least in the near-term, as the current

Covid-19 crisis continues. Small and medium biotechnology companies and individual entrepreneurs have become a major driving force of pharmaceutical innovation. According to Frost & Sullivan, in 2019, there were 9,192 small pharmaceutical companies in the world, accounting for 76.8% of the total pharmaceutical companies. By 2023, it is expected that there will be 13,892 small pharmaceutical companies, accounting for 79.1% of the total pharmaceutical companies. These small pharmaceutical companies usually outsource R&D and manufacturing to accelerate their product pipelines. As expected, many pharmaceutical companies, are increasing their pandemic-related R&D and manufacturing. Service providers are anticipating and planning for increased business as companies and governments start to rapidly develop, test and deploy pandemic-related vaccines, therapeutics and diagnostics.

As a result of these trends, integrated CROs providing end to end R&D services including preclinical, clinical and analytical contract research services, such as our Company, are well-positioned to grow along with the market, by deploying effective business development strategies in USA and Asia.

The extractable and leachable services market is expected to witness a significant growth rate owing to an increasing number of vendors offering these services at competitive prices. In India, VIMTA has been a pioneer and is the leader in extractables, leachables, and trace contaminant analysis. Regulations are constantly revised to upgrade the safety and efficacy information on products, and therefore the need for more safety assessments and testing continues to grow. Vimta provides vital support and expertise throughout various stages of discovery, product development, production and distribution. All these are favourable trends for our business.

Food & Agri

Globally, supply and quality of food are under constant risk, which has resulted in continuously increasing demand for effective tests on food products to certify their safety. The global food safety testing market is highly inclined towards updates in disease outbreaks, government regulations, and technological developments. Increasing occurrence of foodborne disease has prompted several countries to modify their regulations. More than 200 foodborne diseases are caused by micro-organisms and chemicals. Pathogen outbreaks and consumer awareness on food contamination due to pesticides will fuel the services demand. The Indian food pathogen testing market alone was valued at $ 14 million in 2018 and is projected to grow at a CAGR of 11.3% to reach $26.4 million by 2024. The chemical contaminant testing demand is also expected to grow in similar proportions. As per Global Markets Insights, food safety testing market from genetically modified organisms (GMOs) is projected to witness around 7.5% CAGR from 2019 to 2025. Overall, in Asia Pacific, dominated by China and India, the Food Safety Testing Market is projected to witness the fastest growth at over 8.0% from 2019 to 2025.

Year 2020 will be a significant year for the food industry due to Covid-19 pandemic. Globally, during first few months of 2020, food industry including export & imports were impacted by logistic challenges. Demand for certain types of food came down due to decline in restaurant and fast food businesses. On the other-hand online retail business in food has increased. It is expected that despite these challenging times, the food testing demand will be maintained and remain largely unaffected and possibly increase in the long term for certain food products.

Vimta has food testing laboratories in 9 cities across India, which is the largest network in the country, and has received all required approvals from quality accreditation and regulatory bodies. The laboratory network enables us to gain more access to the domestic markets and leverage our pan India presence to grow the business within the food industry. This is a fast growing service for Vimta.

Clinical Diagnostics

The health industry is the highest priority in today's environment. Since the onset of Covid-19 pandemic, the global clinical diagnostics industry is witnessing a sharp rise in demand for its products, especially in-vitro diagnostics. India is no exception. To control the outbreak, globally the diagnostic device and consumable manufacturers have changed their strategies to address the diagnostics demand especially in middle and lower income countries such as India. On the other hand, demand for the typical diagnostic laboratories services fell significantly during the pandemic due to lower patient volume. Year 2020 might be a mixed bag with certain diagnostics sales seeing a downturn, while some have already sharply increased. The Indian diagnostics market is estimated to be around $10 billion with close to 50% in unorganized sectors. The industry is expected to grow at more than 20% during the next 4-5 years. Unorganized sectors keep getting converted to organized business by branded multi-location players, increasing the business for organized sector players. Vimta enjoys a strong quality brand in the country and has a pan India presence offering both high volume and specialized diagnostic services. We continue to invest in expanding our geographic reach and building specialized test capabilities to grow in this growing market. These services will be focused in the near future for driving higher growth through network expansion.

Environmental Testing and Consultancy

India was showing lot of promise in developing Infrastructure (Airports, Jetties, Ports Highways etc.), and Hydrocarbon sector. Make in India thrust by the government would increase investments in raw material extraction (mining), cement, power and steel sectors. The pandemic however, temporarily, has slowed the wind in these sails and recovery may take a few quarters.

The current pandemic has also reinforced realizations at high-level global gatherings that the climate change could soon emerge into a deeper enduring problem than a transient threat of a virus. Post-pandemic revival strategy deployed by countries must have economic recovery plans that hinge primarily on an environment-friendly development. India has conveyed its commitment, on global platforms, to drive economic and cultural initiatives that will protect the environment. Regulations play a major role in converting government commitments to actions which in turn will drive the demand for Environmental testing and impact assessment services. While in the long term, increased regulations will propel the demand for such services, in the current environment, operational challenges exist in projects execution for environmental laboratories and consultants. On the government front, resource crunches have forced India to limit its fiscal stimulus package, to help mitigate the impact of pandemic-led lockdowns, to less than 1.5% of GDP. There are now signs that it may have to cut its capital expenditure to make room for emergency spending towards tackling the Covid-19 crisis. This would impact new projects and execution of current projects.

Vimta is the first gazette notified EPA laboratory (1986) in India and is highly reputed for its quality and integrity. It is expected that the long terms prospects in these services for the Company will be high. It has a strong order book for the year, which is significantly higher than last year. However, to address the near term uncertainties and project execution challenges, Vimta has diversified its environmental services portfolio to now include Continuous Emissions Monitoring Systems Calibration/Audit, Performance Guarantee Testing, Compressed Air Quality Monitoring, and Indoor Air Quality Monitoring with more focus on regional business.

Electrical & Electronics Testing

Key revenue drivers for the testing and certification laboratories are, India's mandatory as well as voluntary product performance testing and labeling standards, and secondly the Government incentives and initiatives such as Make in India, Start-up India, NPE 2019, FAME, etc., along with other enabling policies which are helping global technology firms (such as IT, telecomm, automobile, AV, IoT, AI) set up their R&D centers in India. As such India is a vast market for such industries and has become a key contributor in global R&D sector. Proactive government, cost efficiencies, technical competencies, and a low-cost workforce make India a lucrative destination for companies setting up their R&D centers here. Global R&D centers partner with startups to tap into their knowledge, and also save time and cost. This ecosystem provides ample opportunities for testing laboratories to support in product development and EMI/EMC, Safety and Environmental testing.

Bureau of Energy Efficiency (BEE) Standards & Labeling programs/schemes and BIS's Compulsory Registration Scheme (CRS) and TEC (Telecommunications Engineering Center, Ministry of Communications) regulations, propel the testing and certification market. Currently around 14000 models of all categories of products have been registered in BEE. In future, the voluntary products may also be included under mandatory scheme which would further increase the market & revenue for testing & certification laboratories.

Further, effective April 2020, Ministry of Health and Family Welfare in consultation with Drugs Technical Advisory Board (DTAB) issued notifications that all medical devices must now meet certain standards of quality and efficacy, and for mandatory registration of all medical devices, including imported products. This will increase the number of products that will have to be tested and certified before release into the market.

Vimta, through its acquisition of EMTAC Laboratories Pvt Ltd., has expanded its services to now include electronics and electrical testing of various products. The EMI/EMC testing services are expected to be commercialized by end of FY21.

Risk Management

The Risk Management Committee duly constituted by the Board had formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure is reviewed periodically by the Audit Committee and the Board.

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

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

Other risks and mitigations

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

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

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

Pandemic risks – The future impact of Covid-19 pandemic on the demand for Company's services across the industries and geographies we serve are quite uncertain. However, it is expected that our diversified services, with many of them falling under essential services will enable company's resilience. Actions have been taken to align expenditure to demand, and given the dynamic situation, Management continues to closely watch the developments and service demands, and swiftly takes actions to scale operations, appropriately. Despite the proactive steps initiated, the increasing numbers of Covid-19 infection across the country could temporarily impact team productivities and revenues.

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

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

Key Financial Ratios

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

The company has identified the following ratio as key financial ratio.

Ratio	Financial Year 2019-20	Financial Year 2018-19	Change over FY 2018-19 VS FY 2019-20
Debtors Turnover Ratio (in days)	117.37	98.23	19.48%
Inventory Turnover Ratio (in days)	36.53	32.02	14.10%
Interest Coverage Ratio	3.22	8.62	(62.69)%
Current Ratio	1.67	2.13	(21.45)%
Debt Equity Ratio	0.41	0.38	6.99%
Operating Profit Margin (%)	5.03	17.78	(71.68)%
Net Profit Margin (%)	3.77	11.79	(67.99)%
Return on Net Worth (%)	4.02	15.63	(74.26)%

Debtors Turnover Ratio (in days) – calculated by dividing average accounts receivable (net of impairment loss on receivables) for last two years with the revenue from operation for FY 2019-20, and multiplied by 365 days.

Inventory Turnover Ratio (in days) - calculated by dividing average inventory for last two years with the revenue from operation for FY 2019-20, and multiplied by 365 days.

Current Ratio – calculated by dividing the Current assets with the current liability of the company for FY 2019-20.

Debt Equity Ratio – calculated by dividing company's total liabilities by its shareholder fund.

Ratios where there has been a significant change from financial year 2018-19 to financial year 2019-20 are as follows:

Interest coverage ratio – is calculated considering the Earnings before Interest and Tax (EBIT) divided by the Interest Expenses. The Interest Coverage Ratio (ICR) is used to determine how well a company can pay the interest expenses on its outstanding debts. The Higher the Interest coverage ratio lesser the chance of default by the company.

The company Interest coverage ratio has mainly reduced from 8.62 times to 3.22 times due to decrease in its revenue and reduction in EBITDA margin by around 50% during current fiscal year.

Operating Profit Margin (%): - reflects the operating profit of the company (excluding other income) generated as a percentage of Total Revenue from operations. By tracking increases and decreases in its operating profit margin, an operational performance of the company can be measured in absolute terms.

The decrease in operating profit is mainly due to decrease in revenue for financial year 2019-20 by 15% over financial year 2018-19, whereas operating expenses, manpower cost and other expenses has increased by around 2%,6% & 2% over financial year 2018-19 as compared to operating revenue.

Net Profit Margin (%): - reflects the net profit after tax as a percentage of Total Income. By tracking increases and decreases in its net profit margin, an overall performance of the company can be measured in absolute terms.

The decrease in net profit is due to decrease in revenue for financial year 2019-20 by 15% over financial year 2018-19, whereas operating expenses, manpower cost and other expenses have increased by around 2%, 6% & 2% over financial year 2018-19 as compared to operating revenue which has been offset by decrease in overall tax liability of around 9% in financial year 2019-20 compared to financial year 2018-19.

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

The decrease of 73% of the profit after tax in FY 2019-20 over FY 2018-19 is due to the reduction in total income and increase in operating expenses, manpower cost and other expenses.

Cautionary Statement

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

4. DIVIDEND

Keeping in view the financial needs of the Company, your Directors have decided not to declare dividend for the financial year 2019-2020.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Members may please note that as per the provisions of Sections 124 & 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends that remain unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred to the Investor Education & Protection Fund.

Some of the Shareholders have not claimed dividend for the following years, and these amounts have been transferred to the respective Unpaid Dividend Accounts, and are liable to be transferred to the Investor Education & Protection Fund as shown below:

Year of Dividend – Final	No. of Shareholders who have not claimed	Unclaimed Amount	Date of Declaration	Date of transfer to unpaid account	Last date of transfer to IEPF
2012-13	810	234007.20	31.05.2013	06.07.2013	05.07.2020*
2013-14	750	599310.00	07.07.2014	12.08.2014	11.08.2021
2014-15	773	361823.00	21.08.2015	26.09.2015	25.09.2022
2015-16	844	438780.00	02.09.2016	08.10.2016	07.10.2023
2016-17	Dividend Not Declared				
2017-18	659	387264.00	25.08.2018	30.09.2018	29.09.2025
2018-19	531	349462.00	27.07.2019	01.09.2019	31.08.2026

*The revised date is 25.08.2020

6. TRANSFER TO RESERVES:

No amount is proposed to be transferred to reserves of the Company.

7. CORPORATE GOVERNANCE REPORT

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance along with a certificate from a practicing Company Secretary on its compliance, forms an integral part of this Annual Report.

8. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 is enclosed as **Annexure - I** to this report and the same is uploaded on the website of the Company.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company as part of its Corporate Social Responsibility (CSR) initiative, undertook and supported many projects, including supporting people having deformities and disabilities with reconstructive surgery; public health programmes such as immunizations; mid-day meals to needy children; infrastructure support to a local school; scholarship support grants for under-graduate students in areas of Food Technology/Microbiology/Nutrition and Home Science; and donations to charitable trusts who serve poorest of the poor in all aspects.

During the year under review, the Company has spent a total sum of ₹ 50,17,563/- on the CSR activities as approved by the CSR Committee. Disclosures as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are enclosed as **Annexure - II** to this report.

10. MEETINGS

During the year under review, four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report, which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, as amended from time to time.

11. SHARE CAPITAL

The Authorised Share Capital is ₹ 7,00,00,000 (Rupees Seven Crores only) and Paid up Equity Share Capital is ₹ 4,42,15,620 (Rupees Four Crore Forty-Two Lakhs Fifteen Thousand Six Hundred and Twenty Only) divided in to 22,107,810 equity shares of ₹ 2/- each. During the year under review, there was no change in capital structure of the Company. Disclosure under Section 67(3)(c) of the Act in respect of voting rights not exercised directly by the employees of the Company is not applicable.

12. ISSUE OF SHARES

During the year under review, the Company has not:

i) Issued any shares with differential voting rights pursuant to provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014;

ii) Issued any sweat equity shares to any of its employees, pursuant to the provisions of Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014; and

iii) Implemented any Employee Stock Option Scheme for its employees.

13. PURCHASE OF SHARES OF THE COMPANY

During the year under review, the Company has not given any loan, guarantee or security, or any financial assistance to the employees of the Company for the purpose of purchase or subscription for any shares of the Company pursuant to Section 67(2) of the Act.

14. CHANGE IN NATURE OF BUSINESS

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

15. PARTICULARS OF 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 together with the Companies (Acceptance of Deposits) Rules, 2014 nor has contravened the Compliance requirements of Chapter V of the Act.

16. SUBSIDIARIES

During the year under review Company acquired 100% Equity Shares of Emtac Laboratories Private Limited making it a wholly owned subsidiary of the Company. The Company has completed the acquisition process on 04th March 2020.

EMTAC stands for Electrical/Electronic, Mechanical, Thermal Assessments and Certifications.

Emtac Laboratories Pvt. Ltd is NABL and NABCB accredited, Bureau of Indian Standards approved and TEC designated laboratory, established in Nacharam, Hyderabad, India since 2015 to perform as a premier world class testing and certification organization in the fields of Physical security, Electrical and Electronics.

Emtac is the first Laboratory in AP & Telangana to be accredited by NABL for safety testing of IT Products and Electric Fans.

Emtac operations are spread into three divisions:

- PSP (Physical Security Products involving mechanical and thermal testing)
- E & E (Electrical and Electronics)
- Certification

Vision

To be one of the world's most respected product testing and certification laboratories, recognized for its technical competence, quality, integrity and customer partnership.

Core Values

Emtac is committed to good professional practices and compliance to applicable regulations to ensure the quality of its operations in its testing and examination.

Emtac shall ensure customer satisfaction by maintaining independence, impartiality and integrity in its operations and improving its management system continually.

The statement containing the salient features of the financial statement of subsidiaries as per sub-section (3) of Section 129 of the Companies Act, 2013 in Form AOC-1 is herewith annexed as **Annexure - III** to this report.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The overall borrowings of your Company is within the limits specified under the provisions of Companies Act, 2013. Further the details of loan, guarantees, securities and investments (reported in Form MBP-2), pursuant to section 186 Companies Act, 2013 made by the Company are as per the **Annexure - IV** and form part of this report.

18. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as **Annexure - V** to the Board's Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided separately in **Annexure - V** forming part of this report. Further, the Report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during the business hours till the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof may write to the Company Secretary of the Company.

19. AUDITORS

a) Report

During the year under review, the Auditors have not made any qualification, reservation or adverse remark or disclaimer in their Report on the financial statements of the Company and there was no instance of fraud reported by the auditors under section 143(12) of the Companies Act, 2013.

b) Statutory Auditors

Pursuant to the provisions of sections 139,142 and other applicable provisions of the Act read with rules made thereunder, M/s Gattamaneni & Co., Chartered Accountants (Firm Reg. No. 009303S) were appointed as Statutory Auditors for a period of five consecutive years at the 27th Annual General Meeting (AGM) held on 27th September 2017 by the Members on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. They hold office until the conclusion of the AGM to be held in the calendar year 2022. The auditors have confirmed that they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence, no resolution seeking ratification from the Members for continuance of their appointment is being placed before the Members at this AGM.

c) Internal Auditors

Consequent to the resignation of M/s JVSL & Associates, Chartered Accountants as Internal Auditors vide letter dated 5th March 2020, M/s Chaitanya V & Associates, Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2020-2021. Pursuant to the provisions of Section 139 of the Act and based on the recommendations of the Audit Committee, Board vide their meeting held on 15th June 2020 has ratified M/s Chaitanya V & Associates, Chartered Accountants appointment for Q4 2020 and M/s Chaitanya V & Associates have confirmed their willingness to be appointed as the Internal Auditors of the Company. Further, the Audit Committee in consultation with Internal Auditors, formulated the scope, functioning periodicity and methodology for conducting the Internal Audit.

d) Cost Auditors

Pursuant to the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules 2014, and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 15th June 2020 reappointed M/s U S Rao & Co., Cost Accountants (Firm Registration No. 102629) as the Cost Auditors for the financial year 2020-21 to conduct the cost audit of the Company. The necessary consent letter and certificate of eligibility was received from M/s U S Rao & Co., confirming their eligibility to be re-appointed as the Cost Auditors of the Company.

A resolution seeking ratification of remuneration payable to M/s U S Rao & Co., Cost Accountants (Firm Registration No. 102629) to conduct cost audit of the Company for the financial year 2020-21 has been included in the notice convening 30th AGM of the Company.

e) Maintenance of cost records:

The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

f) Secretarial Auditors

Pursuant to the provisions of section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on 15th June 2020 reappointed M/s D Hanumanta Raju & Co., Practicing Company Secretaries as Secretarial Auditors for the financial year 2020-21. The necessary consent letter and certificate of eligibility was received from M/s D Hanumanta Raju & Co., Practicing Company Secretaries, confirming their eligibility to be reappointed as the Secretarial Auditors of the Company.

The Secretarial Audit Report for the financial year 2019-20 in the prescribed form MR-3 on the audit carried out by the Secretarial Auditor is enclosed to this Report as **Annexure - VI.**

g) Annual Secretarial Compliance Report:

A Secretarial Compliance Report for the financial year ended March 31, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s D Hanumanta Raju & Co., Practicing Company Secretaries, Secretarial Auditors and submitted to both the stock exchanges.

20. AUDIT COMMITTEE

The Board has constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition, attendance, powers and role of the Audit Committee are included in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

21. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

During the year under review, the Company has compiled with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

22. POSTAL BALLOT

During the year under review, a postal ballot notice dated 30th January 2020 was sent to the shareholders as per the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 the Companies (Management and Administration Rules), 2014, seeking shareholders' approval for payment of remuneration to Managing Director, whole time Directors and approval for ratification of payment of remuneration to Shri. Veerabhadra Prasad Vasireddi former Executive Director – Administration of the Company. The shareholders through E-Voting and postal ballot forms have approved the resolutions in majority. The postal ballot results were published on 21st March 2020.

23. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board believes that the Company's internal financial controls were adequate and effective during the year ended 31st March 2020.

Accordingly, pursuant to section 134(5) of the Act, based on the above and the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability confirm that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;

ii) Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company as at 31st March 2020 and of the profit or loss of the Company for year ended on that date;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on a going concern basis;

v) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

vi) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors.

a) Term of Directors

During the year under review, the term of independent directors of the Company, Shri. Totapalli Sundar Raman Ajai and Shri. Rao Purnachandra Potharlanka, concluded on 16th May 2019. Further Shri. Veerabhadra Prasad Vasireddi, Executive Director – Administration, of the Company resigned from the office on 14th July 2019.

Shri. P.A. Chowdary has rendered his resignation on 30th June 2020 as he attained 75 years of age.

The Board places on record its appreciation for the services rendered by them during their association with the Company.

b) Directors retiring by rotation

As per the provisions of the Act and the Articles of Association of the Company, Shri. Harriman Vungal, Executive Director – Operations, retires by rotation and being eligible, offers himself for re-appointment. He continues to hold his position as the whole time director for the rest of his tenure. The proposal for re-appointment of Shri. Harriman Vungal is being placed at the AGM along with the necessary details.

c) Changes in Directorship / Committee Position

During the year under review, Shri. Purnachandra Rao Gutta, Shri. Adeyya Chowdary Popuri (P A Chowdary) and Shri. Sanjay Dave were appointed as Independent Directors w.e.f., 11th May, 2019. Further, Shri. Satya Sreenivas Neerukonda was appointed as an Executive Director w.e.f., 14th July 2019.

Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors at their meeting held on 10th August 2020 appointed Dr. Yadagiri R Pendri (Din: 01966100) as Additional Director of the Company, in accordance with the Company's Articles of Association and Section 161(1) of the Act. They hold office up to the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying the intention to propose their appointment as Directors subject to approval of the Members at the ensuing AGM. The Board recommends the appointment of Dr. Yadagiri R Pendri as Independent Director of the Company for a period of five consecutive years w.e.f. 10th August 2020 to 9th August 2025 subject to approval of the members at the ensuing AGM.

With the above changes in the Directors, following committees were reconstituted and the present composition of the Committees is as follows:

Audit Committee	Position
Shri. G Purnachandra Rao	Chairman
Smt. Y Prameela Rani	Member
Shri. P A Chowdary (up to 30th June 2020)	Member
Shri. Sanjay Dave	Member

Stakeholders Relationship Committee	Position
Smt. Y Prameela Rani	Chairperson
Shri. G Purnachandra Rao	Member
Shri. Sanjay Dave	Member

Nomination and Remuneration Committee	Position
Shri. Sanjay Dave	Chairman
Shri. G Purnachandra Rao	Member
Smt. Y Prameela Rani	Member
Shri. P A Chowdary (up to 30th June 2020)	Chairman

Corporate Social Responsibility Committee	Position
Smt. Harita Vasireddi	Chairperson
Shri. Harriman Vungal	Member
Shri. Sanjay Dave	Member

d) Disclosure by Directors

None of the Directors of your Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013, as amended from time to time. Your Directors have made necessary disclosures to this effect as required under Companies Act, 2013, as amended from time to time. Further the Company has obtained Certificate of Non Disqualifications 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) from M/s D Hanumanta Raju & Co., Practicing Company Secretaries, Secretarial Auditors.

e) Term of Independent Non-Executive Director Shri Popuri Adeyya Chowdary (P A Chowdary) (DIN: 02936505)

The members of the Company, at their 29th Annual General Meeting held on 27th July 2019 had granted approval for the appointment of Shri Adeyya Chowdary Popuri (P A Chowdary) (DIN: 02936505) as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. 11th May 2019 up to 10th May 2024. However, as he was attaining the age 75 years of age during the term of his appointment, as per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from 1st April 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy-Five) years, unless a Special Resolution is passed. Shri. P.A. Chowdary chose to render his resignation on 30th June 2020.

f) Changes in the Key Managerial Personnel

During the year under review, Shri. Veerabhadra Prasad Vasireddi, Executive Director – Administration of the Company resigned from the office on 14th July 2019 and Shri. Satya Sreenivas Neerukonda was appointed as an Executive Director w.e.f 14th July 2019.

Apart from the above said changes, there were no other changes in KMPs of the Company.

g) Declaration by Independent Directors

As per the requirement of section 149(7) of the Act, all the Independent Directors of the Company have submitted their respective declarations that they fulfill the criteria of independence under Section 149 of the Act, read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. REMUNERATION POLICY

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors approved and adopted a Remuneration Policy for selection and appointment of Directors, Key Managerial Personnel, and other employees of the Company as required under Section 178(3) of the Act.

The Nomination and Remuneration Policy is set out as **Annexure - VII** and forms an integral part of this Annual Report and can also be accessed at the website of the Company.

26. HUMAN RESOURCES

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company.

27. PARTICLUARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the contracts/ arrangements/ transactions entered by the Company during the year under review with related parties were in the ordinary course of business and at arm's length basis. The particulars of such contracts or arrangements with related parties, pursuant to the provisions of section 134(3)(h) and Rule 8 of the Companies (Accounts) Rules, 2014, in the prescribed form AOC-2 is enclosed as **Annexure - VIII.**

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy; technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is enclosed as **Annexure - IX** to this report.

29. RISK MANGEMENT

Your Company continues to have an effective Risk Management process in place. The management and the Board continuously oversees the risk management process including identification, impact assessment and drawing mitigation plans. The details of risks perceived by the Management are provided as part of the Management Discussion and Analysis Report.

30. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and all other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance aspects.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

31. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has in place a comprehensive Code of Conduct (the Code), pursuant to Regulation 17(5) of Listing Regulations, applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code covers duties of independent directors also gives guidance and support needed for ethical conduct of business and compliance of law. Further a policy on obligation of directors and senior management personnel for disclosure of committee positions and commercial transitions pursuant to Regulation 26(2) (5) and (6) of Listing Regulation is in place. All the Directors and senior management confirmed the compliance to the code of conduct. Declaration on compliance with Code of Conduct is annexed herewith as **Annexure - X** to the Corporate Governance Report.

32. PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their immediate relatives along with Code of Fair Disclosures.

33. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Company formed a Committee to attend to any complaint of sexual harassment. During the financial year ended 31st March 2020, the Company has not received any complaint from any employee pertaining to any sexual harassment.

34. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any, in the Company. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

35. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has appropriate internal control systems for business processes, efficiency in its operations, and compliance with all the applicable laws and regulations. Regular internal checks and audits ensure that the responsibilities are being effectively executed. In-depth review of internal controls, accounting procedures and policies of Company is conducted. Your Company has adopted adequate internal control and audit system commensurate with its size and nature of business.

Internal audit is carried on a quarterly basis. Internal auditors work with all levels of management and the report is placed before the audit committee. The audit committee after reviewing the findings and suggestions directs the respective departments through Board to implement the same.

36. CASH FLOW STATEMENT

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

37. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes have occurred subsequent to the end of the financial year of the Company to which the financial statements relate and till the date of the report, that will have an impact on the financial position of the Company.

38. PARTICULARS OF SIGNIFICANT/MATERIAL ORDERS PASSED, IF ANY

During the year under review, there were no significant and / or material orders passed by any Regulator/ Court/ Tribunal which could impact the going concern status of the Company and its operations in future.

39. GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance by allowing paperless compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions. Members who have not yet registered their email addresses are requested to register the same with their Depositories in case the shares are held by them in electronic form and with Company's Registrars and Transfer Agents, CIL Securities Limited, in case the shares are held by them in physical form.

40. ACKNOWLEDGEMENTS

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

For and on behalf of the Board,

Date: 10th August 2020
Place: Hyderabad

Dr. Sivalinga Prasad Vasireddi
Non-Executive Director & Chairman
(DIN: 00242288)

Annexure - I

FORM No. MGT-9
EXTRACT OF THE ANNUAL RETURN
As on the financial year ended on 31.03.2020

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L24110TG1990PLC011977
ii)	Registration Date	:	16th November 1990
iii)	Name of the Company	:	VIMTA LABS LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company / Limited by Shares
v)	Address of the Registered office	:	141/2 & 142, IDA, Phase-II Cherlapally Hyderabad : 500051 040-2726 4141 shares@vimta.com
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	CIL Securities Limited 214, Raghavaratna Towers Chirag Ali Lane, Abids Hyderabad : 500001 040-2320 3155 rta@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Contract Research & Testing	Not Applicable	100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	Name address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Emtac Laboratories Private Limited Plot No. 11/6, Road No.9 IDA, Nacharam, Hyderabad, Rangareddi Telangana - 500076	U74200TG2014PTC096043	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

(i) Category wise shareholding

	Category of shareholders	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% change during the year
		Dmat	Physical	Total	% age	Dmat	Physical	Total	% age	
(A)	**Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/HUF	7680153	0	7680153	34.74	7691483	0	7691483	34.79	0.05
(b)	Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate / Govt. Corporate Bodies	590000	0	590000	2.67	590000	0	590000	2.67	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**8270153**	**0**	**8270153**	**37.41**	**8281483**	**0**	**8281483**	**37.46**	**0.05**
2	**Foreign**									
(a)	Individuals (NRI/Foreign individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	Total shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	**8270153**	**0**	**8270153**	**37.41**	**8270153**	**0**	**8281483**	**37.46**	**0.05**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial institutions/Banks	20513	0	20513	0.09	20712	0	20712	0.09	0.00
(c)	Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	Alternate Investment Fund	24600	0	24600	0.11	24600	0	24600	0.11	0.11
(h)	Foreign Portfolio Investor	20100	0	20100	0.09	0	0	0	0.00	(0.09)
	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**65213**	**0**	**65213**	**0.29**	**45312**	**0**	**45312**	**0.20**	**0.02**
2	**Non-Institutions**									
(a)	Bodies corporate	7213811	7000	7220811	32.66	7238635	7000	7245635	32.78	0.12
(b)	**Individuals**									
	i) Individual shareholders holding nominal share capital upto ₹2 lakh	4899924	284729	5184653	23.45	5376081	265229	5641310	25.52	2.07
	ii) Individual shareholders holding nominal share capital in excess ₹2 lakh	792325	0	792325	3.58	562039	0	562039	2.54	(1.04)
(c)	**Any other (Specify)**									
	IEPF	147973	0	147973	0.67	146473	0	146473	0.66	0.01
	Non Resident Indian	177189	0	177189	0.80	138957	0	138957	0.63	(0.17)
	Clearing Members	249493	0	249493	1.13	46601	0	46601	0.21	(0.92)
	Sub-Total (B)(2)	**13480715**	**291729**	**13772444**	**62.30**	**13508786**	**272229**	**13781015**	**62.34**	**0.07**
	Total Public shareholding Group (B) = (B)(1)+(B)(2)	**13545928**	**291729**	**13837657**	**62.59**	**13554098**	**272229**	**13826327**	**62.54**	**0.09**
	Total (A)+(B)	**21816081**	**291729**	**22107810**	**100.00**	**21835581**	**272229**	**22107810**	**100.00**	**0.14**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**21816081**	**291729**	**22107810**	**100.00**	**21835581**	**272229**	**22107810**	**100.00**	**0.14**

(ii) Shareholding of Promoters and Promoters Group

Sl. No.	Shareholder's Name	No. of shares held at the beginning of the year 01.04.2019			No. of shares held at the end of the year 31.03.2020			% of change in share-holding 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	Dr. Sivalinga Prasad Vasireddi	3598525	16.28	0	3598525	16.28	0	0.00
2	Shri. Harriman Vungal	1777166	8.04	0	1777893	8.04	0	0.00
3	Shri. Veerabhadra Prasad Vasireddi	1463515	6.62	0	1463515	6.62	0	0.00
4	Andhra Pradesh Industrial Development Corporation Limited	590000	2.67	0	590000	2.67	0	0.00
5	Smt. Harita Vasireddi	167964	0.76	0	167964	0.76	0	0.00
6	Smt. Praveena Vasireddi	122550	0.55	0	122550	0.55	0	0.00
7	Smt. Sujani Vasireddi	122542	0.55	0	122542	0.55	0	0.00
8	Shri. Sireesh Chandra Vungal	110101	0.50	0	113055	0.51	0	0.01
9	Smt. Swarna Latha Vasireddi	94765	0.43	0	101535	0.46	0	0.03
10	Smt. Sudheshna Vungal	100000	0.45	0	100879	0.46	0	0.01
11	Smt. Rajya Lakshmi Vasireddi	42300	0.19	0	42300	0.19	0	0.00
12	Smt. Vungal Rajeswari	80725	0.37	0	80725	0.37	0	0.00
	Total	**8270153**	**37.41**	**0**	**8281483**	**37.46**	**0**	**0.05**

(iii) Change in Promoters and Promoters Group shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1	Dr. Sivalinga Prasad Vasireddi	3598525	16.28	31.03.2020	Nil	Nil	3598525	16.28
2	Shri. Harriman Vungal	1777166	8.04	02.08.2019	46	Increase	1777212	8.04
				23.08.2019	320	Increase	1777532	8.04
				30.08.2019	361	Increase	1777893	8.04
				31.03.2020	Nil	Nil	1777893	8.04
3	Shri. Veerabhadra Prasad Vasireddi	1463515	6.62	31.03.2020	Nil	Nil	1463515	6.62
4	Andhra Pradesh Industrial Development Corporation Limited	590000	2.67	31.03.2020	Nil	Nil	590000	2.67
5	Smt. Harita Vasireddi	167964	0.76	31.03.2020	Nil	Nil	167964	0.76
6	Smt. Praveena Vasireddi	122550	0.55	31.03.2020	Nil	Nil	122550	0.55
7	Smt. Sujani Vasireddi	122542	0.55	31.03.2020	Nil	Nil	122542	0.55
8	Shri. Sireesh Chandra Vungal	110101	0.50	02.08.2019	250	Increase	110351	0.50
				09.08.2019	130	Increase	110481	0.50
				23.08.2019	672	Increase	111153	0.50
				30.09.2019	350	Increase	111503	0.50
				06.09.2019	1052	Increase	112555	0.51
				31.03.2020	500	Increase	113055	0.51
				31.03.2020	Nil	Nil	113055	0.51
9	Smt. Swarna Latha Vasireddi	94765	0.43	23.08.2019	5770	Increase	100535	0.45
				30.08.2019	1000	Increase	101535	0.46
				31.03.2020	Nil	Nil	101535	0.46
10	Smt. Sudheshna Vungal	100000	0.45	02.08.2019	125	Increase	100125	0.45
				09.08.2019	101	Increase	100226	0.45
				16.08.2019	200	Increase	100426	0.45
				23.08.2019	100	Increase	100526	0.45
				30.08.2019	353	Increase	100879	0.46
				31.03.2020	Nil	Nil	100879	0.46
11	Smt. Rajya Lakshmi Vasireddi	42300	0.19	31.03.2020	Nil	Nil	42300	0.19
12	Smt. Vungal Rajeswari	80725	0.37	31.03.2020	Nil	Nil	80725	0.37

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Eurofins Analytical Services India Pvt Ltd	4403668	19.92	31.03.2020	Nil	Nil	4403668	19.92
2	LCGC Chromatography Solutions Pvt Ltd	2083175	9.42	31.03.2020	Nil	Nil	2083175	9.42
3	I Thought Wealth Analytics LLP	262659	1.19	05.04.2019	14361	Increase	277020	1.25
				12.04.2019	6653	Increase	283673	1.28
				26.04.2019	6550	Increase	290223	1.31
				17.05.2019	5657	Increase	295880	1.34
				05.07.2019	50000	Increase	345880	1.56
				12.07.2019	20000	Increase	365880	1.65
				30.08.2019	175712	Increase	541592	2.45
				13.09.2019	3100	Increase	544692	2.46
				08.11.2019	379	Increase	545071	2.47
				15.11.2019	403	Increase	545474	2.47
				20.03.2020	84725	Decrease	460749	2.08
				27.03.2020	9322	Decrease	451427	2.04
				31.03.2020	Nil	Nil	451427	2.04
4	*Shri. S. Shyam	178906	0.81	29.06.2019	36119	Increase	215025	0.97
				05.07.2019	39784	Decrease	175241	0.79
				23.08.2019	175241	Decrease	0	-
				31.03.2020	Nil	Nil	0	-
5	Investor Education and Protection Fund Authority	147973	0.67	22.11.2019	500	Decrease	147473	0.67
				28.02.2020	1000	Decrease	146473	0.66
				31.03.2020	Nil	Nil	146473	0.66
6	Shri. Ajay Upadhyaya	145000	0.66	07.06.2019	2522	Decrease	142478	0.64
				21.06.2019	5573	Decrease	136905	0.62
				29.06.2019	14029	Decrease	122876	0.56
				12.07.2019	1936	Decrease	120940	0.55
				19.07.2019	696	Decrease	120244	0.54
				01.11.2019	244	Decrease	120000	0.54
				06.03.2020	7229	Decrease	112771	0.51
				13.03.2020	7593	Decrease	105178	0.48
				20.03.2020	178	Decrease	105000	0.47
				31.03.2020	Nil	Nil	105000	0.47
7	Shri. Sanjay Kumar	125000	0.57	20.03.2020	2000	Increase	127000	0.57
				27.03.2020	3000	Increase	130000	0.59
				31.03.2020	Nil	Nil	130000	0.59
8	Shri. Karan Singh Thandi	103605	0.47	31.03.2020	Nil	Nil	103605	0.47
9	*Cholamandalam Securities Limited	70329	0.32	19.04.2019	2124	Increase	72453	0.33
				17.05.2019	102176	Increase	174629	0.79
				23.08.2019	612	Increase	175241	0.79
				21.02.2020	156913	Decrease	18328	0.08
				28.02.2020	18328	Decrease	0	-
				31.03.2020	10974	Increase	10974	0.05
				31.03.2020	Nil	Nil	10974	0.05
10	Shri. Thyagarajan S	65000	0.29	09.08.2019	8000	Increase	73000	0.33
				13.09.2019	4000	Increase	77000	0.35
				31.03.2020	Nil	Nil	77000	0.35

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
11	**Shri. Rakesh Bhasin	43684	0.20	05.04.2019	1151	Increase	44835	0.20
				12.04.2019	1000	Increase	45835	0.21
				19.04.2019	1651	Increase	47486	0.21
				26.04.2019	4401	Increase	51887	0.23
				03.05.2019	4522	Increase	56409	0.26
				10.05.2019	3900	Increase	60309	0.27
				17.05.2019	14510	Increase	74819	0.34
				24.05.2019	3298	Increase	78117	0.35
				31.05.2019	4300	Increase	82417	0.37
				07.06.2019	2515	Increase	84932	0.38
				14.06.2019	2286	Increase	87218	0.39
				21.06.2019	9068	Increase	96286	0.44
				29.06.2019	6485	Increase	102771	0.46
				12.07.2019	1377	Increase	104148	0.47
				19.07.2019	26708	Increase	130856	0.59
				02.08.2019	29494	Increase	160350	0.73
				30.08.2019	7000	Increase	167350	0.76
				13.09.2019	1200	Increase	168550	0.76
				30.09.2019	3516	Increase	172066	0.78
				04.10.2019	5749	Increase	177815	0.80
				11.10.2019	1075	Increase	178890	0.81
				18.10.2019	4700	Increase	183590	0.83
				25.10.2019	1850	Increase	185440	0.84
				01.11.2019	957	Increase	186397	0.84
				15.11.2019	7770	Decrease	178627	0.81
				22.11.2019	8811	Decrease	169816	0.77
				06.12.2019	29139	Decrease	140677	0.64
				13.12.2019	30419	Decrease	110258	0.50
				20.12.2019	29066	Decrease	81192	0.37
				27.12.2019	4156	Decrease	77036	0.35
				24.01.2020	138	Increase	77174	0.35
				07.02.2020	20847	Increase	98021	0.44
				14.02.2020	621	Increase	98642	0.45
				21.02.2020	2463	Increase	101105	0.46
				28.02.2020	2008	Increase	103113	0.47
				06.03.2020	3200	Increase	106313	0.48
				13.03.2020	780	Increase	107093	0.48
				20.03.2020	5763	Increase	112856	0.51
				31.03.2020	Nil	Nil	112856	0.51
12	**Shri. Koushik Sekhar	0	0	17.05.2019	20100	Increase	20100	0.09
				31.05.2019	2500	Increase	22600	0.10
				07.06.2019	5000	Increase	27600	0.12
				21.06.2019	3000	Increase	30600	0.14
				19.07.2019	21693	Increase	52293	0.24
				02.08.2019	12531	Increase	64824	0.29
				09.08.2019	12655	Increase	77479	0.35
				13.09.2019	16779	Increase	94258	0.43
				22.11.2019	6524	Increase	100782	0.46
				29.11.2019	296	Increase	101078	0.46
				13.12.2019	9500	Increase	110578	0.50
				31.03.2020	Nil	Nil	110578	0.50

* Ceased to be in the list of Top 10 Shareholders as on 31st March 2020. The same is reflected above since the shareholder was one of the Top 10 Shareholders as on 1st April 2019.

** Not in the list of Top 10 shareholders as on 1st April 2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31st March 2020.

(v) **Shareholding of Directors and Key Management Personnel**

Sl. No	Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ Decrease in Share-holding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Dr. Sivalinga Prasad Vasireddi (Non-Executive Director & Chairman)	3598525	16.28	31.03.2020	Nil	Nil	3598525	16.28
2	Shri. Harriman Vungal (Executive Director - Operations)	1777166	8.04	02.08.2019	46	Increase	1777212	8.04
				23.08.2019	320	Increase	1777532	8.04
				30.08.2019	361	Increase	1777893	8.04
				31.03.2020	Nil	Nil	1777893	8.04
3	Smt. Harita Vasireddi (Managing Director)	167964	0.76	31.03.2020	Nil	Nil	167964	0.76
4	Shri. Satya Sreenivas Neerukonda (Executive Director)	0	0	31.03.2020	Nil	Nil	0	-
5	Smt. Y Prameela Rani (Independent Director)	0	0	31.03.2020	Nil	Nil	0	-
6	Shri. Gutta Purnachandra Rao (Independent Director)	0	0	31.03.2020	Nil	Nil	0	-
7	Shri. P A Chowdary (Independent Director)	0	0	31.03.2020	Nil	Nil	0	-
8	Shri. Sanjay Dave (Independent Director)	0	0	31.03.2020	Nil	Nil	0	-
9	Shri. Amit Pathak (Chief Financial Officer)	0	0	31.03.2020	Nil	Nil	0	-
10	Sujani Vasireddi (Company Secretary)	122542	0.55	31.03.2020	Nil	Nil	122542	0.55

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	258.26	Nil	Nil	**258.26**
ii) Interest due but not paid	Nil	Nil	Nil	**Nil**
iii) Interest accrued but not due	0.75	Nil	Nil	**0.75**
Total (i+ii+iii)	**259.01**	**Nil**	**Nil**	**259.01**
Change in Indebtedness during the financial year				
Addition	273.31	12.19	Nil	**285.50**
Reduction	219.08	Nil	Nil	**219.08**
Net Change	**54.23**	**12.19**	**Nil**	**66.42**
Indebtedness at the end of the financial year				
i) Principal Amount	312.49	12.19	Nil	**324.68**
ii) Interest due but not paid	Nil	Nil	Nil	**Nil**
iii) Interest accrued but not due	0.54	Nil	Nil	**0.54**
Total (i+ii+iii)	**313.03**	**12.19**	**Nil**	**325.22**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Millions)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Harita Vasireddi	Harriman Vungal	Satya Sreenivas Neerukonda	V V Prasad * Part of the year	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	13.44	13.44	7.69	7.33	41.90
2.	Stock Option	---	---	---		---
3.	Sweat Equity	---	---	---		---
4.	Commission -as % of profit - Others, specify	 --- ---	 --- ---	 --- ---		 --- ---
5.	Others, please specify (Gratuity)	---	---	---	8.07	8.07
	Total (A)	**13.44**	**13.44**	**7.69**	**15.40**	**49.97**
	Ceiling as per the Act as per Schedule V Part-Ii Section-II	10% of net profits of the Company				

* Plus contribution to Provident Fund

B. Remuneration to other Directors

(In Millions)

Sl. No.	Particulars of Remuneration	Name of the Director						Total Amount
		T S Ajai*	Rao P Potahrlanka*	Y Prameela Rani	G P Rao	P A Chowdary	Sanjay Dave	
1.	Independent Directors Fee for attending board / committee meetings Commission - Others Scientific Advisory Committee Fee	--	--	0.15	0.13	0.11	0.10	0.49
	Total (1)	**--**	**--**	**0.15**	**0.13**	**0.11**	**0.10**	**0.49**
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	--	--					
	Total (2)	**--**	**--**					
	Total (B) = (1+2)	**--**	**--**					
	Total Managerial Remuneration	**--**	**--**	**0.15**	**0.13**	**0.11**	**0.10**	**0.49**
	Overall ceiling as per the Act	1% of net profits of the Company						

Excluding service tax
* Part of the year

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/Whole Time Directors

(In millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.30	3.94	6.24
2.	Stock Option	---		---
3.	Sweat Equity	---		---
4.	Commission -as % of profit -Others, Specify	---		---
5.	Others, please specify	---	---	---
	Total	**2.30**	**3.94**	**6.24**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - II

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

Brief outline of the Company's Corporate Social Responsibility (CSR) policy:

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

- Health care including preventive health care to the economically weaker sections and physically / differently abled people of weaker sections.
- Supporting Eradication of extreme hunger and poverty.
- Promotion of education
- Combating human immuno-deficiency virus, acquired immuno-deficiency syndrome, malaria and other diseases.
- Environmental sustainability
- Social business projects
- Providing midday meals to the children at government schools.
- Providing drinking water to weaker sections and to the children at government schools.
- Providing / developing necessary infrastructure at government schools including providing of books, dress material, etc.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for social economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes minorities and women.

Composition of CSR Committee

Sl. No.	Name of the Member	Designation
1.	Smt. Harita Vasireddi	Chairperson
2.	Shri. Harriman Vungal	Member
3.	Shri. Sanjay Dave	Member (Independent Director)

Details of CSR expenditure spent during Financial Year 2019-2020.

Average Net Profits for last three Financial Years

(In millions)

Particulars	For the Financial year ended 31st March		
	2019	2018	2017
Net Profit	346.88	247.61	158.14
Average Net profit for the preceding three financial years	250.88		

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

Total amount prescribed to be spent : ₹ 50,17,563

Amount spent during the financial year 2019-2020 : ₹ 50,17,563

Amount unspent during the financial year : Nil

Sl. No.	Identified CSR activities	Particulars of CSR Activity	Projects or activities (1) Local area or other (2) Specify the state and district where projects or activities undertaken	Budgeted amounts for the Project or activity	Amount deployed towards CSR	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Narsing Swain Memorial Trust (Akar Asha)	Support to people having deformities and disabilities, with reconstructive surgery.	Hyderabad, Telangana	18,10,844/-	18,10,844/-	18,10,844/-	Through implementation agency
2	Public Health Foundation of India (PHFI)	Support to core public health programmes such as Immunisation; HIV/AIDS prevention etc	New Delhi	8,00,000/-	8,00,000/-	8,00,000/-	Through implementation agency
3	Akshaya Patra	Eliminate classroom hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools. Akshaya Patra also aims at countering malnutrition and supporting the right to education of socio-economically disadvantaged children.	Hyderabad, Telangana	5,00,000/-	5,00,000/-	5,00,000/-	Through implementation agency
4	ZPH School	Infrastructure support at ZPHS, Turkapally, Medchal.	Hyderabad, Telangana	4,06719/-	4,06,719/-	4,06719/-	Through implementation agency
5	CII Foundation	CII Foundation has undertaken various projects in the areas of skill development, child development and maternal health, water conservation, etc. The Foundation is primarily focusing on Early Childhood Education, Women Empowerment, and Climate Change Resilience while continuing its various Disaster Relief and Rehabilitation efforts.	New Delhi	5,00,000/-	5,00,000/-	5,00,000/-	Through implementation agency
6	Amma Charitable Trust	Support of all the human beings for giving best services to the poorest of the poor in all aspects like food, education, cremation etc.	Guntur, Andhra Pradesh	10,00,000/-	10,00,000/-	10,00,000/-	Through implementation agency

Responsibility Statement:

We, the members of CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of CSR Committee

Dr. Sivalinga Prasad Vasireddi
Non - Executive Director & Chairman
(DIN:00242288)

Harita Vasireddi
Chairperson – CSR Committee
(DIN:00242512)

Place : Hyderabad
Date : 15th June 2020

Annexure -III

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

Subsidiary Company Financial Highlights – 2019-20

(In millions)

Sl. No.	Particulars	Details
1	Name of the Subsidiary	Emtac Laboratories Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as the Holding Company's reporting period, viz. 31-03-2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital – Authorised	50.00
	– Paid up	34.16
5	Reserves & surplus	(29.27)
6	Total Assets	18.04
7	Total Liabilities	13.15
8	Investments	Nil
9	Turnover	11.89
10	Profit / Loss before taxation	(2.21)
11	Provision for taxation	0.05
12	Profit / Loss after taxation	(2.26)
13	Proposed Dividend	Nil
14	% of shareholding	100%
Notes: The following information shall be furnished at the end of the statement:		
1. Names of subsidiaries, which are yet to commence operations: Nil		
2. Names of subsidiaries, which have been liquidated or sold during the year: Nil		

Part "B": Associates and Joint Ventures – NA

Place : Hyderabad
Date : 15th June 2020

Dr Sivalinga Prasad Vasireddi
Non - Executive Director & Chairman
(DIN:00242288)

Annexure - IV

Details of Loan, Guarantees, Securities and Investments made by the Company pursuant to Section 186 of the Companies Act 2013 are as provided below.

Corporate Guarantees

Name and Address of the person or body corporate to whom it is made or given	Amount (in ₹)
Nil	

Loans and Inter-Corporate Deposits (ICDs)

Name and Address of the person or body corporate to whom it is made or given	Amount (in ₹)
Nil	

Investments

Name and Address of the person or body corporate to whom it is made or given	Amount (in ₹)
Emtac Laboratories Private Limited	
Plot No. 11/6, Road No.9 IDA, Nacharam, Hyderabad, Rangareddi Telangana - 500076	6,14,97,000/-

Place : Hyderabad
Date : 15th June 2020

Dr Sivalinga Prasad Vasireddi
Non - Executive Director & Chairman
(DIN:00242288)

Annexure - V

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-2020, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under.

Sl. No.	Name of Director/ KMP and Designation	Ratio of the remuneration paid to Directors to the median remuneration of the employee excluding managerial remuneration	Percentage increase in remuneration during the year	Comparison of remuneration against performance of the Company	
				Remuneration paid (in Millions)	Performance of the Company for the year (Net Profit ` in Millions)
1	Dr S P Vasireddi Non-Executive Director& Chairman	NA	NA	NA	NA
2	Harita Vasireddi Managing Director	44:1	0%	13.44	67.38
3	Vungal Harriman Executive Director-Operations	44:1	0%	13.44	67.38
4	#Satya Sreenivas Neerukonda Executive Director	36:1	NA	7.69	67.38
5	Y Prameela Rani Independent Director	NA	NA	NA	NA
6	Gutta Purnachandra Rao Independent Director	NA	NA	NA	NA
7	*P A Chowdary Independent Director	NA	NA	NA	NA
8	Sanjay Dave Independent Director	NA	NA	NA	NA
9	Amit Pathak Chief Financial Officer	12:1	0%	3.94	67.38
10	Sujani Vasireddi Company Secretary	8:1	0%	2.30	67.38
11	*V V Prasad Executive Director- Administration	44:1	0%	15.40	67.38
12	*Rao Purnachandra Potharlanka Independent Director	NA	NA	NA	NA
13	*T S Ajai Independent Director	NA	NA	NA	NA

* Shri. T S Ajai , Shri Rao Purnachandra Potharlanka and Shri V V Prasad ceased to be a directors of the Company dated 16th May 2019 and 14th July 2019 respectively. Shri P A Chowdary ceased to be director of the Company dated 30th June 2020.

Shri. Satya Sreenivas Neerukonda appointed as Executive Director of the Company w.e.f. 14th July 2019.

i) There was no variable component of remuneration availed by the Directors.

ii) The remuneration paid to the Key Managerial Personnel was as per the remuneration policy of the Company.

iii) There were 1101 employees on the rolls of the Company as on 31st March, 2020.

iv) The percentage increase in the median remuneration of employees in the financial year was 7.70%

v) The average increase in the salaries / remuneration of the employees during the year was 4.00%. Being service industry, retention of talented manpower is the key element. Hence, there was an increase in the salaries of the employees during the year.

vi) We herewith affirm that the remuneration is as per the remuneration policy of the Company

Dr Sivalinga Prasad Vasireddi

Place : Hyderabad
Date : 10th August 2020

Non - Executive Director & Chairman
(DIN:00242288)

Annexure -V contd.,

Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013

Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

Employed throughout the Financial Year 2019-2020

Sl. No	Name	Designation	Gross Remuneration	Nature of Employment	Qualification	Date of Joining	Age	Experience	% of Equity Shares held	Whether relative of Director	Name of relative Director	Previous Employment
1	Smt. Harita Vasireddi	Managing Director	1,20,00,000	Permanent	B. Pharm., MBA	26.10.2002	45	22 years	0.76	Yes	Dr. Sivalinga Prasad Vasireddi	Vimta Rostest Private Limited
2	Shri. Harriman Vungal	Executive Director - Operations	1,20,00,000	Permanent	D.Tech	16.11.1990	68	42 years	8.04	No	--	Promoter

Employed Part of the Financial Year 2019-2020 - Nil

Annexure - VI

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
VIMTA LABS LIMITED,
141/2 &142, IDA Phase II,
Cherlapally, RRDist,
Telangana– 500051

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

Due to lockdown on account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us via e-mail and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to company during the period of audit)

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

  (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the period of audit);

  (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the period of audit);

  (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);

  (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period of audit);

  (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013; - (Not applicable to the Company during the period of audit); and

  (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other laws **specifically** applicable to the Company as per the representations made by management include:

A. The Drugs and Cosmetic Act, 1940

B. Narcotic Drugs and Psychotropic Substances Act, 1985 and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013

C. Good Laboratory Practices as laid down in Schedule L-1 of Drugs and Cosmetic Rules, 1945

D. Food Safety and Standards Act, 2006

E. The Pathology and Laboratory Act, 2007

F. Bio-Medical Waste (Management and Handling) Rules, 1998

G. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

H. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

I. Explosives Act, 1884 read with Gas Cylinder Rules, 2004

J. Selection, installation and maintenance of First-aid Fire Extinguishers – Code of Practice

K. Contract Labor (Regulation and Abolition) Act, 1970 and Andhra Pradesh Contract Labor (Regulation and Abolition) Rules, 1971

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the period under review the company has acquired 34,16,500 shares having face value of ₹ 10/- each at a premium price of ₹ 18/- per share of Emtac Laboratories Private Limited and as such Emtac Laboratories Private Limited has now became a wholly owned subsidiary.

Place: Hyderabad
Date: 10th August 2020

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122B000565240

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

Annexure A to MR-3

To
The Members,
VIMTA LABS LIMITED,
141/2 &142, IDA Phase II,
Cherlapally, RR Dist,
Telangana – 500 051

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

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

Place: Hyderabad
Date: 10th August 2020

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN:F007122B000565240

Annexure - VII

Nomination and Remuneration policy

Introduction

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

Objective and purpose of the policy

The objectives and purpose of this policy are,

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

The committee

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

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

Definitions

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

'Directors' means Directors of the Company.

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

'The Company' means Vimta Labs Limited.

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

Key Managerial Personnel (KMP) means:

The Managing Director or the Chief Executive Officer and Whole-time Director;

The Company Secretary and

The Chief Financial Officer

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

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

The Policy

This policy is divided into three parts

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

Part - B: Covers the appointment and nomination; and

Part - C: Covers remuneration and perquisites etc.

Part-A:

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

Structure of the Board

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

Succession plans

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

Evaluation of performance

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

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

Remuneration framework

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

(a) Remuneration of the Managing Director, Whole-time Directors and

(b) The remuneration for KMPs, other employees at senior most level.

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

PART-B

Appointment criteria and qualifications

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

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

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

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

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

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

Term/Tenure

Managing Director/Whole-time Director

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

Independent Director

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

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

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

Removal

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

Retirement

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

PART -C

Remuneration of Directors, KMPs and other senior level employees

Remuneration to Managing Director; Whole-time Directors:

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

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

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

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

Minimum remuneration to Managing Director and Whole-time Directors

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

Remuneration to Non-executive/Independent Directors

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

Remuneration of other KMPs and senior level employees

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

Policy review

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

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

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

Annexure – VIII

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

Form No. AOC-2

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

1. There were no materially pecuniary relationships or transactions of the Independent directors vis-à-vis the Company.
2. Particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:
   a) There were no contracts / arrangements entered into by the Company with related parties which are not at arm's length basis.
   b) There were no material contracts / arrangements entered into by the Company with related parties which are at arm's length basis.
   c) Details of non-material contracts/arrangements at arm's length basis with related parties for the year ended 31st March 2020 are as follow:-

Sl. No.	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any;	Date of approval by the Board / Shareholders, if any.	Justification For entering into Contract / Arrangement
1	Shri. Harriman Vungal Owner of the property is Executive Director – Operations of the Company.	Leasing of property Residential property obtained on lease for office purpose.	2 years w.e.f 1st April 2018.	₹16500/- per month with annual escalation of 10% .	10th May 2018.	Lease Rentals at prevailing market rates. Lease rentals paid for the year @ ₹16,500/- p.m.
2	Shri. Sireesh Chandra Vungal Son of Executive Director – Operations of the Company.	Appointment to office or place of profit: Appointed as Manager – Information Technology Present Vice President – Information Technology Group.	w.e.f. 1st April 2014. w.e.f. 1st October 2017.	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month. Approval given by the Shareholders by Special Resolution to pay not exceeding ₹5,00,000/- per month. Further approval given by the Shareholders by Special Resolution to pay not exceeding ₹7,00,000/- per month.	Board Approval Dated: 17th May 2014 and Shareholders' Approval Dated 27th September 2017. Shareholders' Approval Dated 27th July 2019.	Commensurate with qualification and experience an amount of ₹ 4,97,280 /- p.m. is being paid within the limits approved by Shareholders.

Sl. No.	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any;	Date of approval by the Board / Shareholders, if any.	Justification For entering into Contract / Arrangement
3	Shri. Satya Sreenivas Neerukonda Son-in-law of Former Executive Director – Administration of the Company and spouse of Company Secretary.	Appointment to office or place of profit: Appointed as Manager – Business Development. Sr Vice President and Global Head Business Development. Present capacity as Executive Director of the Company.	w.e.f 1st April 2014. w.e.f 1st October 2017. w.e.f 14th July 2019.	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month. Approval given by the Shareholders by Special Resolution to pay not exceeding ₹5,00,000/- per month. Further approval given by the Shareholders by Special Resolution to pay not exceeding Basic Salary ₹8,00,000/- per month.	Board Approval Dated: 17th May 2014 and Shareholders' Approval Dated 27th September 2017. Shareholders' Approval Dated 27th July 2019.	Commensurate with qualification and experience an amount of ₹ 8,96,000/- p.m. including PF is being paid within the limits approved by Shareholders.
4	Smt. Praveena Vasireddi Daughter of Non Executive Director & Chairman of the Company and sister of Managing Director of the Company.	Appointment to office or place of profit: Appointed as Executive – Internal Auditing. Present capacity as Manager - Finance.	w.e.f 1st April 2014. w.e.f. 29th May 2020.	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month.	17th May 2014.	Commensurate with experience an amount of ₹1,45,600/- p.m. is being paid.
5	Smt. Sudeshna Vungal Daughter of Executive Director – Operations of the Company.	Appointment to office or place of profit: Appointed as Bio-Chemist. Present capacity : Sr. Manager – PE & CRM.	w.e.f 1st April 2014. w.e.f 1st October 2019.	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month.	17th May 2014.	Commensurate with qualification and experience an amount of ₹1,70,350/-p.m. is being paid.
6	Smt. Sujani Vasireddi Daughter of former Executive Director- Administration of the Company and spouse of Executive Director.	Appointment to office or place of profit: Appointed as Manager- Legal & Admn. Present capacity Company Secretary & General manager Commercial.	w.e.f. 18th August 2016. w.e.f. 31st August 2018	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month.	12th November 2016.	Commensurate with qualification and experience an amount of ₹1,91,800/-p.m. is being paid.

Dr. Sivalinga Prasad Vasireddi
Non - Executive Director & Chairman
(DIN:00242288)

Place : Hyderabad
Date: 15th June 2020

Annexure – IX

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

Information on Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo (forming part of the Board's Report for the year ended 31st March, 2020).

A. Conservation of energy

The Company is engaged in testing of various materials and different types of tests are carried out depending on the nature of material as per required specifications and standards. Testing is performed using different instruments. It may be that a particular material needs to be tested on different instruments for various parameters simultaneously as required by the customer. Most of the test equipment are microprocessor based and draw only requisite power. Power is drawn by different equipment from a common source in the Lab. Besides this, generator and UPS are used as back-up sources.

a) Energy Conservation Measures Taken:

   i) Designed and installed an efficient power distribution system to utilize the power at optimum level of requirement.

   ii) The Laboratory buildings are designed in such a way that during day time no artificial lighting is needed in most areas in the lab.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: No additional investments were made during the year.

c) Impact of the measures in (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods: The energy consumption is reduced to the barest minimum requirement thus reducing costs.

d) Total energy consumption and energy consumption per unit of production: Furnishing of these particulars is not applicable to the Company.

e) Green building certification: The preclinical research building at Life Sciences facility of the Company has been awarded gold rating by Indian Green Building Council (IGBC). The award testifies to the Company's efforts for reduction of energy consumption, reduced water consumption and limited waste generation.

B. Technology Absorption

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

C. Foreign exchange earnings and outgo

During the financial year, the Company has earned foreign exchange of ₹ 422.35 Millions (previous year ₹648.49 Millions). The Company's foreign exchange outgo was of ₹117.53 Millions (previous years.₹309.16 Millions) on import of capital goods, software, chemicals, consumables & reference standards, travel expenditure, professional charges etc.

CORPORATE GOVERNANCE REPORT

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'')]

I. Company's philosophy on Corporate Governance

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

II. BOARD OF DIRECTORS

i. Composition

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

ii. Attendance and other Directorships

During the year ended 31st March 2020, the Board of Directors met four times. These meetings were held on 11th May 2019; 27th July 2019; 9th November 2019; and 30th January 2020, with a gap not exceeding one hundred and twenty days between any two meetings.

The details of the Board of Directors including their attendance at the meetings of Board and shareholders, directorships / chairmanships / memberships on the Boards /Committees of other Companies and names of the listed entities where the person is a director and the category of directorship as required under Regulation no. 34 read with schedule V of Listing Regulations are as below:

Name	Category	No. of Board Meetings		Attendance at the last AGM (27th July 2019)	No. of Directorships in other Companies		Chairmanships / memberships in other Companies		Name of other listed entities where he/ she is a director and the category of directorship
		Held	Attended		Private	Public	Chairmanship	Membership	
Dr. S P Vasireddi	Promoter, Non-Executive Director & Chairman	4	4	Yes	-	-	-	-	-
Smt. Harita Vasireddi	Managing Director	4	4	Yes	1	-	-	-	-
Shri. Harriman Vungal	Promoter & Executive Director - Operations	4	4	Yes	-	-	-	-	-
*Shri. V V Prasad	Promoter & Executive Director - Administration	4	1	NA	1	-	-	-	-

Name	Category	No. of Board Meetings		Attendance at the last AGM (27th July 2019)	No. of Directorships in other Companies		Chairmanships / memberships in other Companies		Name of other listed entities where he/ she is a director and the category of directorship
		Held	Attended		Private	Public	Chairmanship	Membership	
#Shri. Satya Sreenivas Neerukonda	Executive Director	4	3	Yes	1	-	-	-	-
*Shri. T S Ajai	Independent Non-Executive Director	4	1	NA	1	-	-	-	-
*Shri. Rao P Potharlanka	Independent Non-Executive Director	4	1	NA	-	-	-	-	-
Smt. Y Prameela Rani	Independent Non-Executive Director	4	4	Yes	1	1	2	4	-
Shri. Gutta Purnachandra Rao	Independent Non-Executive Director	4	4	Yes	-	-	-	-	-
*Shri. Popuri Adeyya Chowdary	Independent Non-Executive Director	4	4	Yes	-	2	1	1	The Andhra Sugars Limited, Independent Non-Executive Director
Shri. Sanjay Dave	Independent Non-Executive Director	4	4	Yes	-	-	-	-	-

*Shri. T S Ajai and Shri. Rao P Potharlanka, Independent Directors of the Company completed their term on 16th May 2019; Shri. Veerabhadra Prasad Vasireddi, Executive Director – Administration of the Company resigned from the office on 14th July 2019 and Shri. P A Chowdary Independent Director of the Company resigned from the office on 30th June 2020.

#Shri. Satya Sreenivas Neerukonda was appointed as an Executive Director w.e.f 14th July 2019.

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013.

None of the Directors on the Board are a member on more than 10 Committees, and Chairman of more than 5 Committees, across all the companies in which they are Directors. None of the Directors hold office in more than 10 public companies, and none of the Directors serve as Independent Director in more than seven listed companies.

iii. Disclosure of relationships between Directors inter-se

- Dr. Sivalinga Prasad Vasireddi – Non-Executive Director & Chairman: Smt. Harita Vasireddi – Managing Director is daughter of Dr. Sivalinga Prasad Vasireddi and Shri Veerabhadra Prasad Vasireddi – former Executive Director- Administration is his brother.
- Smt. Harita Vasireddi – Managing Director: Dr. Sivalinga Prasad Vasireddi – Non Executive Director & Chairman is her father.

- Shri Veerabhadra Prasad Vasireddi – Former Executive Director Administration: Dr Sivalinga Prasad Vasireddi – Non Executive Director & Chairman is brother of Shri Veerabhadra Prasad Vasireddi and Shri. Satya Sreenivas Neerukonda Executive Director is his son-in-law.
- Shri. Satya Sreenivas Neerukonda – Executive Director is the son-in-law of Shri Veerabhadra Prasad Vasireddi – Former Executive Director Administration.

  Except above relationships, none of the Directors are related to each other.

iv. Number of Shares and convertible instruments held by Non- Executive Directors:

Dr. Sivalinga Prasad Vasireddi, Non-Executive Director, Chairman holds 35,98,525 Equity Shares. The Company has not issued any convertible instruments.

v. Web link where details of familiarisation programmes imparted to Independent directors

Board based on the recommendation of the Nomination and Remuneration Committee conducts familiarization programme for Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with Senior Management personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part. The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company.

vi. List of core skills/expertise/competencies identified for the Board of Directors

1. Specialized Industry and Environmental Knowledge: Specialized knowledge of the industry and environment(s) in which the Company is doing business. Ability to assess and manage strategic and operational risks including but not limited to regulatory and legal risks.
2. Communication and relationship Skills: Ability to communicate expectations and concerns in a constructive manner and develop meaningful interpersonal relationships with other Board members and executive management.
3. Board and Governance skills: Experience and knowledge of Board governance practices. Clear understanding of roles and responsibilities of the Board of a Company and responsibilities as a Director of the Company.
4. Finance, Accounting and Financial Reporting and management of financial risk: In depth understanding of financial reporting and the accounting and control practices required to manage financial risks.
5. Information Technology: Information Technology expertise with knowledge of current and emerging technologies.
6. Commitment and Engagement: Commitment to the Company, its culture, values and people; displaying a commitment to the Board and the role individual Directors play in ensuring overall Board effectiveness.

Competency Matrix of Board of Directors as at 31st March 2020

Name of the Director	Core Skills/ Expertise/Competency
Dr. Sivalinga Prasad Vasireddi	Founder, visionary leadership, laboratory business management & strategy, strong financial acumen and domain knowledge, corporate governance.
Smt. Harita Vasireddi	Business planning, administration & strategy delivery, quality management systems, operations management & planning, corporate governance.
Shri. Harriman Vungal	Operational management, planning and general management & regulatory, corporate governance.
Shri. Satya Sreenivas Neerukonda	Industry knowledge and technical background, creative, strong communication and negotiation skills, problem solving skills, corporate governance.
Smt. Y Prameela Rani	Banking, credit management, general management, foreign exchange, strong financial acumen, corporate governance.
Shri. Purnachandra Rao Gutta	Chartered accountant, internal and statutory auditing, incorporation matters, project financing, internal financial controls and MIS, corporate governance.
Shri. P A Chowdary	Income tax, corporate governance
Shri. Sanjay Dave	Expert on food safety standards, public sector policy, strategy and administration, strong scientific and policy level influence with national and international bodies, corporate governance.

vii. Confirmation of Independence

Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the independent directors fulfill the conditions of independence criteria as specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from the management.

III. DETAILS OF DIRECTORS PROPOSED FOR RE-APPOINTMENT AND REGULARISATION AND APPOINTED AT THE ANNUAL GENERAL MEETING

i) Shri. Harriman Vungal

Shri. Harriman Vungal shall retire by rotation and being eligible, seeks re-appointment. He is the Executive Director –Operations of the Company and is one of the Promoter Directors. He has been a Director since Company inception. He is qualified D.Tech from Toronto, Canada with over 42 years of business management experience.

ii) Dr. Yadagiri. R. Pendri

Dr. Yadagiri. R. Pendri is appointed as Additional Director, Independent Non-Executive Director by Board through recommendations of Nomination and Remuneration Committee vide their meeting held on 10th August 2020. He has more than thirty years' experience in pharmaceutical research and development and has led several research programs to deliver novel drug candidates to market. He is Founder of Escientia Life Sciences, a contract development and manufacturing organization (CDMO) to develop and manufacture Active Pharmaceutical Ingredients (API) to supply to global pharmaceutical and biotech companies.

IV. COMMITTEES OF THE BOARD

Currently, there are four Board Committees – The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairperson of the respective Committees.

The terms of reference, role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

i) Audit Committee

a) Terms of Reference

The terms of reference of the Audit Committee is as per the guidelines set out in the Regulation 18 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is mainly responsible for

- Monitoring of the Company's financial reporting process, disclosure of its financial information and to ensure the correctness & credibility of the financial statements;
- Recommending the appointment, remuneration and terms of appointment of statutory, internal and cost auditors of the Company;
- Reviewing with the Management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for its approval;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing and providing its recommendations to the board w.r.t., transactions of the Company with related parties;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of statutory and internal auditors and the adequacy of the internal control systems;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; and
- Reviewing the functioning of the Whistle Blower mechanism.

b) Composition

The Committee comprises of three members who are nonexecutive Independent directors of the Company. Composition of the Committee: Shri. Purnachandra Rao Gutta is the Chairman, Smt. Prameela Rani Yalamanchili and Shri. P A Chowdary were members of the Committee for the year under review.

c) **Meetings and Attendance**

During the year ended 31st March 2020 the Audit Committee met four times. These meetings were held on 11th May 2019; 27th July 2019; 9th November 2019; and 30th January 2020.

Name of the member	Meetings held	Attendance
Shri. T S Ajai,*	4	1
Shri. Rao Purnachandra Potharlanka*	4	1
Smt. Prameela Rani Yalamanchili	4	4
Shri. Purnachandra Rao Gutta, Chairman	4	3
Shri. P A Chowdary	4	3

* Shri. T S Ajai and Shri Rao Purnachandra Potharlanka ceased to be members of the Committee on completion of their term as Independent Directors at closing hours of 16th May 2019.

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management.

Smt Harita Vasireddi, Managing Director, Shri Amit Pathak, Chief Financial Officer, Shri G Srinivasa Rao, Partner of M/s Gattamaneni & Co, Statutory Auditors and Shri J Venkateswarlu, partner of M/s JVSL & Associates, Internal Auditors of the Company were invitees to the meetings of the Audit Committee. Smt. Sujani Vasireddi, Company Secretary of the Company acts as the Secretary of the said Committee.

ii) **Nomination and Remuneration Committee**

a) **Terms of Reference**

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

b) **Composition**

The Committee comprises of three non-executive Independent Directors. Composition of the Committee: Shri. P A Chowdary is the Chairman, Shri. G Purnachandra Rao and Shri. Sanjay Dave are Members of the Committee.

c) **Meetings & Attendance**

During the year ended March 31, 2020 the Nomination and Remuneration Committee met two times. These meetings were held on 11th May 2019; and 30th January 2020

Name of the member	Meetings held	Attendance
Shri. T S Ajai*	2	1
Shri. Rao Purnachandra Potharlanka*	2	1
Shri. Sanjay Dave	2	1
Shri. P A Chowdary, Chairman	2	1
Shri G Purnachandra Rao	2	1

* Shri. T S Ajai and Shri Rao Purnachandra Potharlanka ceased to be members of the Committee on completion of their term as Independent Directors at closing hours of 16th May 2019.

d) **Remuneration Policy**

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

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

e) **Selection of new Directors**

Based on the recommendations of the remuneration and nomination committee, the Board will select new Directors for induction to the Board. Before its recommendations, the committee will carry out the screening and selection process for selecting new Directors.

f) **Performance evaluation mechanism**

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

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

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

g) Performance Evaluation Criteria for Independent Directors

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

h) Details of remuneration paid to the Directors during the year

(₹ In Millions)

Name of the Director	Salary	Sitting Fee	Total
Dr. Sivalinga Prasad Vasireddi	Nil	Nil	Nil
Smt. Harita Vasireddi	13.44	Nil	13.44
Shri. Harriman Vungal	13.44	Nil	13.44
Shri. Veerabhadra Prasad Vasireddi*	15.40	Nil	15.40
Shri. Satya Sreenivas Neerukonda#	7.69	Nil	7.69
Shri. T S Ajai	Nil	Nil	Nil
Shri. Rao Purnachandra Potharlanka	Nil	Nil	Nil
Smt Prameela Rani Yalamanchili	Nil	0.15	0.15
Shri. Purnchandra Rao Gutta	Nil	0.13	0.13
Shri. P A Chowdary	Nil	0.11	0.11
Shri Sanjay Dave	Nil	0.10	0.10

*upto 14th July 2019

#w.e.f. 14th July 2019

Note :

1. Salary includes Basic Salary and Allowances. During the year the whole-time Directors were paid remuneration under the provisions of Schedule V Part II Section II of the Companies Act, 2013 as amended to date.
2. During the Financial Year 2019-2020, there are no pecuniary relationships or transactions of the Non-Executive Directors' vis-à-vis the Company.
   - No payments were made to Non-Executive / Independent Directors other than sitting fee as detailed herein above.
   - None of the Independent Directors are holding shares of the Company.

iii) Stakeholders' Relationship Committee

a) Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as under:

1. Redressal of grievances of shareholders
2. Transfer and transmission of securities
3. Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
4. Issuance of duplicate shares certificates
5. Review of dematerialization of shares and related matters
6. Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority. In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e., M/s. CIL Securities Limited., to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/ investors under the supervision of Company Secretary & Compliance Officer of the Company.

b) Composition

The Committee comprises of three non-executive Independent Directors. Composition of the Committee: Smt. Y Prameela Rani is the Chairperson, Shri G Purnachandra Rao and Shri Sanjay Dave are Members of the Committee.

c) Meetings & Attendance

During the year ended 31st March 2020 the Stakeholder Relationship Committee met four times. These meetings were held on 11th May 2019; 27th July 2019; 9th November 2019; and 30th January 2020.

Name of the member	Meetings held	Attendance
Shri. T S Ajai*	4	1
Shri. Rao Purnachandra Potharlanka*	4	1
Smt. Prameela Rani Yalamanchili, Chairperson	4	4
Shri Purnachandra Rao Gutta	4	3
Shri. Sanjay Dave	4	3

* Shri. T S Ajai and Shri Rao Purnachandra Potharlanka ceased to be members of the Committee pursuant to their resignation as Independent Directors at closing hours of 16th May 2019.

Smt. Sujani Vasireddi Company Secretary is appointed as the Compliance Officer of the Company. The Board has authorised the Company Secretary, who is also the Compliance Officer, to approve share transfers/ transmission and comply with other formalities in relation thereto.

The details of shareholders' complaints received and resolved during the financial year ended March 31, 2020 are given in the table below:

Particulars	No. of Complaints
Number of shareholders' complaints received during the Financial Year	02
Number of shareholders' complaints solved to the satisfaction of shareholders during the Financial Year	02
Number of pending shareholders' complaints as at March 31, 2020	Nil

The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints through centralized web based redressal system and online redressal of all the shareholder's complaints. There were no outstanding complaints as on 31st March 2020.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2020, 2,18,35,581 Equity Shares of 2/- each representing 98.77% of the total number of shares are in dematerialized form.

iv) Corporate Social Responsibility (CSR) Committee

a) Terms of Reference - Philosophy

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

b) Composition

The Committee comprises of two executive Directors and one non-executive Independent Director. Composition of the Committee: Smt. Harita Vasireddi is the Chairperson, Shri Harriman Vungal and Shri Sanjay Dave are the Members of the Committee.

c) Meetings & Attendance

During the year ended March 31, 2020 the Corporate Social Responsibility Committee met two times. These meetings were held on 9th May 2019 and 27th September 2019.

Name of the member	Meetings held	Attendance
Smt. Harita Vasireddi	2	2
Shri Harriman Vungal	2	2
Shri Veerabhadra Prasad Vasireddi*	2	1
Shri Rao Purnachandra Potharlanka*	2	1
Shri Sanjay Dave	2	1

* Shri. Rao Purnachandra Potharlanka and Shri. Veerabhadra Prasad Vasireddi ceased to be members of the Committee consequent on their completion of term and resignation as Directors respectively on 16th May 2019 and 14th July 2019 respectively.

V. GENERAL BODY MEETINGS

a) Location and time, where last three annual general meetings were held

The last three Annual General Meetings of the Company were held at Registered Office of the Company i.e., Plot No. 142, IDA Phase-II, Cherlapally, Hyderabad, Telangana - 500051 as detailed below:

Sl. No.	For F/Y	AGM Detail	Date	Time
1.	2018-19	29th AGM	27.07.2019	03.00 p.m.
2.	2017-18	28th AGM	25.08.2018	10.00 a.m.
3.	2016-17	27th AGM	27.09.2017	10.00 a.m.

b) Special resolutions passed in the previous three annual general meetings

No Special Resolutions was passed in the previous three Annual General Meetings.

c) Whether any special resolution passed last year through postal ballot, details of voting pattern and person who conducted the postal ballot exercise

During the financial year 2019-2020, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), your Company passed the following special resolutions through a postal ballot for:

1. Approval of payment of remuneration to Smt. Harita Vasireddi Managing Director of the Company.
2. Approval of payment of remuneration to Shri. Harriman Vungal Executive Director - Operations of the Company.
3. Approval of payment of remuneration to Shri. Neerukonda Satya Sreenivas Executive Director of the Company.
4. Approval for ratification of payment of remuneration to Shri. Veerabhadra Prasad Vasireddi former Executive Director – Administration of the Company.

Date of Dispatch of Notice	Wednesday, 19.02.2020
Cut-off Date to determine eligibility for voting	Friday, 14.02.2020
e-voting period	From 10:00 a.m. (IST) on 21.02.2020 to 05:00 p.m. (IST) on 21.03.2020
Last date for receipt of Postal Ballot Forms by the Scrutinizer	Up to 05:00 p.m. (IST) on Saturday, 21.03.2020
Date of announcement of results	05:00 p.m. (IST) on Saturday, 21.03.2020

The Board had appointed CS Datla Hanumanta Raju (Membership No. FCS 4044 & Certificate of Practice No. 1709) Partner, M/s D Hanumanta Raju & Co., Company Secretaries, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

The details of voting pattern in respect of the Special Resolutions passed through postal ballot are as under:

Item No.	Brief Description of Resolution(s)	Total no. of Valid Votes (Excludes invalid votes)	Mode of Voting	Total Votes in Favour		Total Votes cast against	
				No. of shares	% of votes	No. of shares	% of votes
1	Approval of payment of remuneration to Smt. Harita Vasireddi Managing Director of the Company	5982212	Ballot Form	5785699	100	-	-
			Electronic	196513	88.97	24364	11.03
2	Approval of payment of remuneration to Shri. Harriman Vungal Executive Director - Operations of the Company.	7900734	Ballot Form	7704221	100	-	-
			Electronic	196513	88.97	24364	11.03
3	Approval of payment of remuneration to Shri. Neerukonda Satya Sreenivas Executive Director of the Company.	8279965	Ballot Form	8147916	100	-	-
			Electronic	132049	84.82	24364	15.58
4	Approval for ratification of payment of remuneration to Shri. Veerabhadra Prasad Vasireddi former Executive Director – Administration of the Company.	4665179	Ballot Form	4468666	100	-	-
			Electronic	196513	88.97	24364	11.03

d) Procedure for Postal Ballot

During the conduct of the Postal Ballot, the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform by CDSL. Postal Ballot forms, notice and postage pre-paid business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced. The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company (www.vimta.com) and on the website of CDSL (www.evotingindia.com).

e) Whether any special resolution is proposed to be conducted through postal ballot

No special resolution is proposed to be conducted through postal ballot on or before the ensuing Annual General Meeting.

VI. MEANS OF COMMUNICATION

a) Quarterly results

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers within 48 hours from the conclusion of the Board meeting.

Annual reports with audited financial statements are sent to the shareholders through permitted mode.

b) Newspapers wherein results are normally published

The results are normally published by the Company in Financial Express in English version, circulating across India and in Andhra Prabha in the vernacular language in all editions.

c) Any website, where displayed

The results are also displayed on the Company's website: www.vimta.com

d) Whether it also displays official news releases

The newsletters and press releases if any, from time to time are also displayed on the Company's website.

e) Presentations made to institutional investors or to the analysts

The presentations to institutional investors or to the analysts, if any, are covered in the Company's website and are intimated to the Stock Exchanges.

News items are sent to the Stock Exchanges i.e., National Stock Exchange of India Limited and Bombay Stock Exchange Limited, where shares of the Company are listed and the Exchanges display the same on their websites.

VII. GENERAL SHAREHOLDER INFORMATION

The 30th Annual General Meeting of the Company will be held on 9th September 2020 at 10:00 A.M through Video Conference mode.

- Financial Calendar : 1st April 2020 to 31st March 2021
- First quarter results : On or before 14th August 2020
- Half yearly results : On or before 14th November 2020
- Third quarter results : On or before 14th February 2021
- Fourth quarter/ Annual Results : On or before 30th May 2021
- Date of Book Closure : 03.09.2020 to 09.09.2020 (both days inclusive)
- Date of dividend payment, if any : within 30 days from the date of declaration in AGM

- Listing on Stock Exchanges

Name of the Stock Exchange	Security Code/ Symbol	Address
Bombay Stock Exchange Limited	524394	P J Towers Dalal Street Mumbai - 400 001, India.
National Stock Exchange of India Limited	VIMTALABS	"Exchange Plaza", Bandra Kurla Complex Bandra (E) Mumbai - 400051, India
The ISIN for both NSDL & CDSL is "INE579C01029"		

The Listing fees for the year 2020-2021 has been paid to both the above Stock Exchanges.

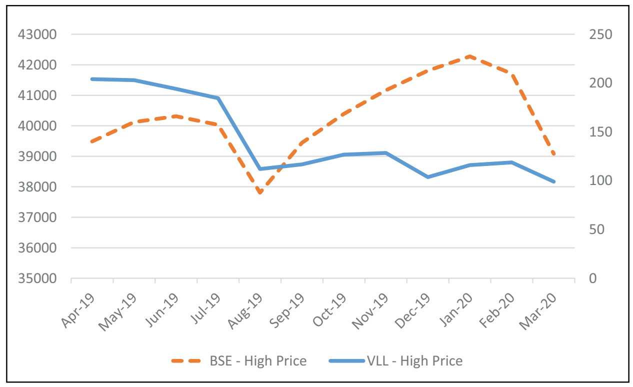
a) Market Price Data & Share Price Performance

High & low prices of Equity Shares during the last financial year 2019-20 at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under.

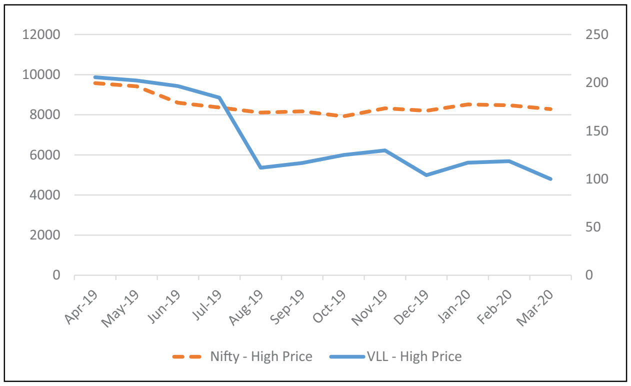
Month	BSE Limited		NSE Limited	
	High	Low	High	Low
April 2019	204.00	182.75	205.60	183.00
May 2019	203.00	174.00	202.30	176.10
June 2019	194.00	150.25	196.50	156.35
July 2019	184.60	95.00	184.40	95.75
August 2019	112.00	90.50	111.70	89.55
September 2019	116.70	88.50	116.65	88.10
October 2019	126.70	100.25	124.95	102.00
November 2019	128.40	88.00	129.70	87.50
December 2019	103.65	88.40	104.00	88.50
January 2020	115.95	87.60	116.90	88.55
February 2020	118.75	90.75	118.55	91.50
March 2020	99.00	51.05	100.00	51.50

b) Performance in comparison to broad-based indices: such as BSE Sensex & Nifty Index

Comparison between Vimta Labs Limited (VLL) High and BSE High, is given below.



Comparison with Vimta Labs Limited (VLL) High and Nifty High, is given below.



c) **DISTRIBUTION OF SHAREHOLDING**

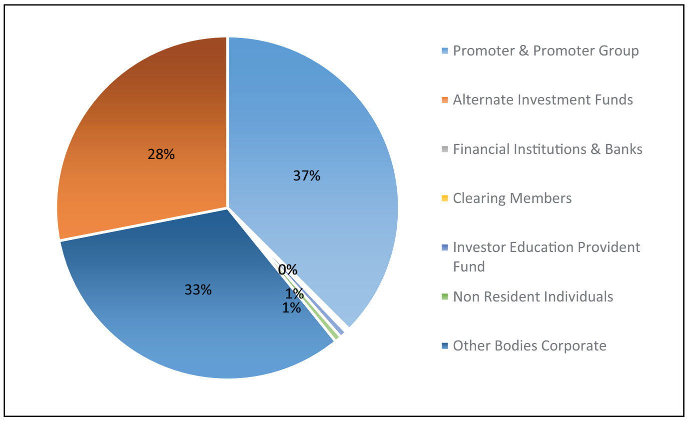
Shareholding distribution as on 31st March 2020

Sl. No.	Nominal value	Amount in ₹	% of Total Capital	No. of Share-holders	% of Total Holders
1	Up to 5000	6950764	15.72	10305	98.19
2	5001 to 10000	1396882	3.16	90	0.86
3	10001 to 20000	1267708	2.87	42	0.40
4	20001 to 30000	955024	2.16	19	0.18
5	30001 to 40000	284702	0.64	3	0.03
6	40001 to 50000	803360	1.82	9	0.09
7	50001 to 10000	1027936	2.32	8	0.08
8	100001 and above	31529244	71.31	19	0.18
TOTAL		**44215620**	**100.00**	**10495**	**100.00**

Categories of Shareholders as on 31st March 2020

Sl. No.	Category of Shareholders	No. of Shares	Percentage
1	Promoter & Promoter Group	8281483	37.46
2	Alternate Investment Funds	24600	0.11
3	Financial Institutions & Banks	20712	0.09
4	Clearing Members	46601	0.21
5	Investor Education Provident Fund	146473	0.66
6	Non Resident Individuals	138957	0.63
7	Other Bodies Corporate	7245635	32.77
8	Individuals	6203349	28.06
	TOTAL	**22107810**	**100.00**

Graphic presentation of the Shareholding pattern as on 31st March 2020



d) **Registrar and Share Transfer Agent**

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

e) **Share Transfer Systems**

The share transfers are effected within 15 days from the date of lodgment for transfer, Transmission sub-division, Consolidation, renewal etc., if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations and such modified share Certificates are delivered to the shareholders immediately.

f) **Dematerialization of Shares and Liquidity**

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility, and 98.77% of the Company's Shares are dematerialised as on 31st March 2020.

g) **Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments**

No GDRs/ ADRs/Warrants or Convertible Instruments were issued by the Company.

h) **Commodity price risk or foreign risk and hedging activities**

The Company does not have commodity price risk nor does the Company engage in hedging activities.

i) **Plant locations**

The Company does not have any manufacturing or processing plants. The Company's headquarters and Central Laboratory is at Plot 141/2 & 142, IDA, Phase-II, Cherlapally, Hyderabad, Telangana - 500051.

The Company has its Life Sciences Facility at Plot No.5, MN Science & Technology Park, Genome Valley, Turkapally Village, Shameerpet, Telangana - 500101.

Following are the cities in which Vimta has its office/ laboratories :

1. Ahmedabad
2. Bengaluru
3. Bhubaneswar
4. Chennai (2 Locations)
5. Coimbatore
6. Hyderabad (3 locations, one of which was up to 31st May 2020)
7. Kochi
8. Kolkata
9. Lucknow (up to 31st May 2020)
10. Nellore
11. Noida
12. Pune
13. Tirupati
14. Varanasi
15. Vishakhapatnam (2 Locations)
16. Vijayawada

j) Address for correspondence and any query on Annual report

Vimta Labs Limited
Plot No.142 IDA, Phase-II, Cherlapally,
Hyderabad, Telangana – 500051
Phone: 040-27264141
E-Mail: shares@vimta.com

k) Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund (IEPF)

Members are requested to claim any unclaimed dividends for the year 2012- 2013, before 24th August 2020 as the same Fund will be credited to IEPF as detailed in Board's report, pursuant to Section 124(5) of the Companies Act, 2013 read with the rules prescribed thereunder.

l) List of Credit Ratings

Following is the list of credit ratings obtained by the Company from M/s Brickwork Ratings India Pvt Ltd as on 25th June 2020.

Tenure	Amount in Crores	Rating
Long term	43.94	BWR A-/Negative Reaffirmed with revision of outlook to negative
Short term	5.78	BWR A2+ (Reaffirmed)
Total	**49.72**	

m) Compliance Certificate

Certificate from M/s D Hanumanta Raju & Co., practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is annexed herewith as **Annexure – XI** to the Corporate Governance Report.

VIII. DISCLOSURES

a) Related Party Transactions (RPTs)

The Company has not entered into any materially significant transactions with any related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in the Notes to Accounts forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs is disclosed on website of the Company.

b) Non-Compliances by the Company

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for noncompliance of any matter related to capital markets.

c) Vigil Mechanism and Whistle Blower Policy

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations. The Company promotes ethical behaviour in its operations and has a Vigil mechanism which is overseen through the Audit Committee. Under the Vigil Mechanism, employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee. The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company.

d) Details of compliance with mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Subsidiary Companies

Your Company acquired Emtac Laboratories Private Limited on 4th March 2020, a wholly owned subsidiary Company. However it is not a material subsidiary company in terms of Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) Policy on Material Subsidiary

Board at its meeting held on 15th June 2020, adopted the Material Subsidiary Policy in terms of SEBI (LODR) Regulations, 2015 with regard to determination of material subsidiaries. The policy is placed on the Company's website.

g) Practicing Company Secretary Certification

A certificate from M/s D Hanumanta Raju & Co., practicing Company Secretaries, that as on 31st March 2020, 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 the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report as **Annexure - XII.**

h) Statutory Audit Fee

The total fee paid by the Company and its subsidiary consolidated to the statutory auditor for all the services during the Financial Year 2019 -2020 is ₹ 1.30 Million.

i) Detail of compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub - regulation (2) of Regulation 46 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, securities of the Company have not been suspended for trading at any point of time during the Financial year ended 31st March 2020.

j) Disclosures with respect to demat suspense account/ unclaimed suspense account

There are no shares which are lying in demat suspense account/unclaimed suspense account.

k) Board Procedures

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board has access to any information within your Company which includes the information as specified in Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

l) Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was not held as per relaxation given by Ministry of Corporate Affairs in its General Circular No.11/2020 dated 24th March, 2020.

m) Discretionary requirements

The Company has adopted the following discretionary requirements on Corporate Governance: -

1) The Board

The Company is Maintaining the Office of the Non-Executive Chairperson at the Company's expense.

2) Shareholders' rights

All the quarterly, half yearly and annual financial results are placed on the Company's website apart from publishing the same in the Newspapers. As per exemption given by SEBI, vide Circular No. SEBI/HO/CFD/CMD1 /CIR/P/2020/79 dated 12th May 2020 the Company did not publish the Audited Financial Results for the 4th Quarter and financial year ended 31st March 2020 in newspaper/s.

3) Modified opinion(s) in audit report

There are no modified opinions in the Audit Reports.

4) Reporting of Internal Auditor

The Internal Auditors of the Company i.e. M/s JVSL & Associates, Chartered Accountants up to 5th March 2020 and Chaitanya V & Associates, Chartered Accountants w.e.f 9th March 2020 directly report to the Audit Committee of the Company.

IX. MANAGING DIRECTOR/ CFO CERTIFICATION

In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Managing Director and Chief Financial Officer of the Company to the Board of Directors as specified in Part B of Schedule II of the said regulations is annexed herewith as **Annexure - XIII** to the Corporate Governance Report.

For and on behalf of the Board,
Date: 10th August 2020 — **Dr. Sivalinga Prasad Vasireddi**
Place: Hyderabad — Non-Executive Director & Chairman
(DIN: 00242288)

Annexure - X

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2020.

for Vimta Labs Limited

Harita Vasireddi
Managing Director
(DIN: 00242512)

Place : Hyderabad
Date: 15th June 2020

Annexure - XI

CERTIFICATE

To
The Members of
M/s. Vimta Labs Limited

On account of COVID — 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our examination of the records of the company shared to us via e-mail pertaining to the compliance of conditions of Corporate Governance by **VIMTA LABS LIMITED** *("the Company"),* for the year ended on March 31, 2020, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] for the period 1st April, 2019 to 31st March, 2020.

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

In our opinion and to the best of our information and according to the explanations given to us by the Directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO:7824
UDIN: F007122B000565526

Place: Hyderabad
Date: 10th August 2020

Annexure - XII

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VIMTA LABS LIMITED** having CIN: L24110TG1990PLC011977 and having registered office at 141/2 &142, IDA Phase II Cherlapally, Hyderabad – 500 051 (hereinafter referred to as 'the Company'), produced before us by the Company via e-mail due to Covid-19 pandemic for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1.	Dr Sivalinga Prasad Vasireddi	00242288	01/04/2005
2.	Mrs. Harita Vasireddi	00242512	01/04/2005
3.	Mr. Harriman Vungal	00242621	16/11/1990
4.	Mrs. Prameela Rani Yalamanchili	03270909	01/12/2017
5.	Mr. Adeyya Chowdary Popuri	02936505	11/05/2019
6.	Mr. Purnachandra Rao Gutta	00876934	11/05/2019
7.	Mr. Sanjay Dave	08450232	11/05/2019
8.	Mr. Satya Sreenivas Neerukonda	00269814	14/07/2019

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 only to express an opinion on this as per our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO:7824
UDIN:F007122B000565251

Place: Hyderabad
Date: 10th August 2020

Annexure - XIII

MANAGING DIRECTOR /CFO CERTIFICATION

We, Harita Vasireddi, Managing Director and Amit Pathak, Chief Financial Officer, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March 2020 and to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii. 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 year, 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 we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   i. significant changes in the internal control over financial reporting during the year, if any;

   ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and

   iii. that there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Vimta Labs Limited

Harita Vasireddi
Managing Director
(DIN:00242512)

For Vimta Labs Limited

Amit Pathak
Chief Financial Officer

Place: Hyderabad
Date: 15th June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Vimta Labs Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vimta Labs Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the Significant Accounting Policies and other explanatory information("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sl. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Provision for impairment loss in accounts receivables. The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows. Refer to Note No.12 to the standalone Financial statements.	Our audit procedure in respect of this area included the following: • Understand and assess the management's estimate and related policies used in the credit loss analysis • Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions. • Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy. • For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash shortfalls and reviewed whether amounts have been recovered after the end of reporting period. • Obtained debtors' credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables according to the provision matrix.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143 (11) of the Act, we give in **"Annexure-B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For GATTAMANENI & CO.,
Chartered Accountants
(Firm.Regn.No:9303S)

G. SRINIVASARAO
Partner
(ICAI Ms. No. 210535)
UDIN:20210535AAAABH4201

Place: Hyderabad
Date: June 15, 2020

Annexure – A
to the Independent Auditor's Report

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

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

We have audited the Internal Financial Controls over financial reporting of **VIMTA LABS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note.

For GATTAMANENI & CO.,
Chartered Accountants
(Firm.Regn.No:9303S)

G. SRINIVASARAO
Partner
(ICAI Ms. No. 210535)
UDIN:20210535AAAABH4201

Place: Hyderabad
Date: June 15, 2020

Annexure – B

to Independent Auditor's Report

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

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

(i) In respect of the Company's fixed assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification made during the year.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deeds provided to us, we report that, the title deeds of all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.

(ii) According to the information and explanations given to us, the company's inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency and procedures of verification are reasonable. No material discrepancies were noticed between the physical stocks and the book stocks on such verification made during the year.

(iii) According to the information and explanations given to us and based on our audit, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/s.189 of the Companies Act, 2013 ("the Act"). Hence, the provisions of sub-clauses (a),(b) and (c) of clause (iii) of paragraph 3 of CARO are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made during the year. According to the information and explanations given to us and based on our audit, the company has not given any loans and guarantees and provided any security. Further, in our opinion, the company has not entered into any transaction covered under section 185 of the Act.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at the year end. Hence, the provisions of clause 3(v) of the CARO are not applicable to the company.

(vi) As per the information and explanation furnished to us, maintenance of Cost records has been specified by the Central Government U/s.148(1) of the Act for this company and we are of the opinion that, the prescribed accounts and records have been made and maintained by the company. However, we have not conducted any audit of the same.

(vii) According to the information and explanations given to us and based on our audit, in respect of statutory dues:

(a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) There were no material dues of Income tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and Government. The company has not issued debentures.

(ix) During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed by the company were applied for the purposes for which those were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, during the year, no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported.

(xi) In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of CARO is not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us, the company is in compliance with Section 177 and 188 of the Act and where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the CARO is not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its Directors or persons connected to its Directors. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For GATTAMANENI & CO.,
Chartered Accountants
(Firm.Regn.No:9303S)

G. SRINIVASARAO
Partner
(ICAI Ms. No. 210535)
UDIN:20210535AAAABH4201

Place: Hyderabad
Date: June 15, 2020

Standalone Balance Sheet
as at March 31,2020

(Amount in INR millions, unless otherwise stated)

Particulars	Note No	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	1,310.85	1,347.22
(b) Capital works-in-progress	6	18.20	41.82
(c) Financial assets			
(i) Investments	7	61.50	-
(ii) Loans	8A	19.09	18.72
(d) Deferred Tax Assets (Net)	9	5.12	-
(e) Other non-current assets	10A	74.21	43.34
Total Non-Current assets		**1,488.97**	**1,451.10**
Current assets			
(a) Inventories	11	171.30	190.41
(b) Financial assets			
(i) Trade receivables	12	576.78	585.29
(ii) Cash and cash equivalents	13A	54.83	26.67
(iii) Bank balances other than (ii) above	13B	11.69	6.78
(iv) Loans	8B	14.14	14.20
(v) Other financial assets	14	0.78	0.84
(c) Other current assets	10B	126.83	98.98
Total Current assets		**956.35**	**923.17**
TOTAL ASSETS		**2,445.32**	**2,374.27**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	44.22	44.22
(b) Other equity	16	1,685.37	1,671.30
Total equity		**1,729.59**	**1,715.52**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17A	45.95	115.68
(b) Provisions	18A	85.81	82.80
(c) Deferred tax liabilities (Net)	9	-	11.03
(d) Other non-current liabilities	19	12.89	16.24
Total Non Current Liabilities		**144.65**	**225.75**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17B	177.04	52.42
(ii) Trade payables	20		
- Outstanding dues of micro enterprises and small enterprises		14.63	19.25
- Outstanding dues of creditors other than micro enterprises and small enterprises		87.35	91.06
(iii) Other financial liabilities	21	216.40	195.42
(b) Other current liabilities	22	52.57	55.16
(c) Provisions	18B	23.09	19.69
Total Current Liabilities		**571.08**	**433.00**
TOTAL EQUITY AND LIABILITIES		**2,445.32**	**2,374.27**

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

As per our report of even date.
For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

Harita Vasireddi
Managing Director
DIN: 00242512

Harriman Vungal
ED-Operations
DIN : 00242621

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(Amount in INR millions, unless otherwise stated)

	Particulars	Note No.	Year Ended 31 March 2020	Year Ended 31 March 2019
I.	**Income**			
	Revenue from Operations	23	1,806.74	2,126.41
	Other Income	24	30.18	19.27
	Total Income		**1,836.92**	**2,145.68**
II.	**Expenses**			
	Cost of material consumed and testing expenditure	25	533.81	591.99
	Changes in inventories of work-in-progress	26	3.60	(7.78)
	Employee benefits expense	27	614.29	592.53
	Finance costs	28	37.65	46.07
	Depreciation expense	5	209.22	197.23
	Other expenses	29	354.89	374.23
	Total Expenses		**1,753.46**	**1,794.27**
III.	**Profit before tax [I-II]**		**83.46**	**351.41**
IV.	**Tax expense**	30		
	(a) Current tax		33.61	115.20
	(b) Prior year adjustments		(3.91)	(8.82)
	(c) Deferred tax (benefit)/expense		(15.51)	(8.08)
	Total Tax Expense		14.19	98.30
V.	**Profit for the year [III-IV]**		**69.27**	**253.11**
VI.	**Other comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement of the net defined liability		(2.53)	(6.78)
	(b) Income tax relating to the above item		0.64	1.97
	Total other comprehensive income/(loss), net of tax		**(1.89)**	**(4.81)**
VII.	**Total Comprehensive income for the year [V-VI]**		**67.38**	**248.30**
VIII.	**Earnings per share**	31		
	Basic (INR)		**3.13**	**11.45**
	Diluted (INR)		**3.13**	**11.45**

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

As per our report of even date.

For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

Harita Vasireddi
Managing Director
DIN: 00242512

Harriman Vungal
ED-Operations
DIN : 00242621

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(Amount in INR millions, unless otherwise stated)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Cash flow from operating activities		
Profit before tax	83.46	351.41
Adjustments to reconcile profit before tax to net cash flows:		
- Depreciation expense	209.22	197.23
- Interest Cost paid	23.03	30.64
- Impairment loss on receivables	3.10	28.76
- Bad Debts written off	10.83	44.03
- Loss/(Profit) on sale of Property plant and equipment	(1.63)	2.25
- Liabilities no longer required written back	3.41	0.18
- Interest Income received	(5.03)	(7.18)
- Income from Government Grants	(3.35)	(3.35)
- Unrealised foreign exchange gains and losses (net)	(3.54)	5.63
Adjustments for changes in working capital:		
- (Increase)/decrease in inventories	19.10	(7.76)
- (Increase)/decrease in trade receivables	2.85	(101.50)
- (Increase)/decrease in loans	(0.32)	0.16
- (Increase)/decrease in other assets	(27.50)	(47.29)
- Increase/(decrease) in employee benefit obligations	3.89	11.86
- Increase/(decrease) in trade payables	(11.58)	(19.50)
- Increase/(decrease) in other financial liabilities	1.68	9.54
- Increase/(decrease) in other current liabilities	(3.40)	(6.31)
Cash generated from/(used in) operations	**304.22**	**488.80**
Income tax paid	(60.57)	(96.35)
Net cash flows generated from/(used in) operating activities (A)	**243.65**	**392.45**
Cash flow from Investing activities		
Payment for property, plant and equipment and capital work-in-progress	(142.20)	(165.32)
Proceeds from sale/disposal of property, plant and equipment	2.59	2.17
Redemption/(Investment) in fixed deposits (Net)	(4.90)	(0.53)
Interest Income received	5.09	7.14
Investment in subsidiary	(61.50)	-
Net cash flow generated from/(used in) investing activities (B)	**(200.92)**	**(156.54)**
Cash flow from Financing activities		
Payment of Dividend (including Dividend Distribution Tax)	(53.30)	(53.30)
Repayment of Long term Borrowings	(223.54)	(82.32)
Proceeds from Long term Borrowings	160.89	17.08
Proceeds from/(repayment of) short-term borrowings	124.62	(79.06)
Interest Cost paid	(23.24)	(31.59)
Net cash flow generated from/(used in) financing activities (C)	**(14.57)**	**(229.19)**
Net increase in cash and cash equivalents (A+B+C)	28.16	6.72
Cash and cash equivalents at the beginning of the year	26.67	19.95
Cash and cash equivalents at the end of the year	**54.83**	**26.67**
Cash and cash equivalents comprise of the following:		
Balances with banks	53.68	26.09
Cash on hand	1.15	0.58
Total cash and cash equivalents at end of the year	**54.83**	**26.67**

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

As per our report of even date.

For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

Harita Vasireddi
Managing Director
DIN: 00242512

Harriman Vungal
ED-Operations
DIN : 00242621

G. Srinivasa Rao
Partner
Membership No. 210535

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Place: Hyderabad
Date : June 15, 2020

Standalone Statement of changes in equity
for the year ended March 31, 2020

(Amount in INR millions, unless otherwise stated)

(A) Equity share capital

Particulars	No. of Shares	Amount
Equity shares of ₹ 2/- each issued, subscribed and fully paid		
Balance as at April 1, 2018	22,107,810	44.22
Add/Less: Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	22,107,810	44.22
Add/Less: Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	**22,107,810**	**44.22**

(B) Other equity

Particulars	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Opening Balance as of April 1, 2018	773.73	86.40	626.94	(10.76)	1,476.31
Add: Profit for the year	-	-	253.11	-	253.11
Less: Dividend on Equity Shares	-	-	44.22	-	44.22
Less: Tax on Dividend	-	-	9.09	-	9.09
Add: Other comprehensive income/(loss) for the year	-	-	-	(4.81)	(4.81)
Closing Balance as of March 31, 2019	**773.73**	**86.40**	**826.74**	**(15.57)**	**1,671.30**
Add: Profit for the year	-	-	69.27	-	69.27
Less: Dividend on Equity Shares	-	-	44.22	-	44.22
Less: Tax on Dividend	-	-	9.09	-	9.09
Add: Other comprehensive income/(loss) for the year	-	-	-	(1.89)	(1.89)
Balance as of March 31, 2020	**773.73**	**86.40**	**842.70**	**(17.46)**	**1,685.37**

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

As per our report of even date.
For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
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Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Place: Hyderabad
Date : June 15, 2020

Notes
forming part of the standalone financial statements

1 General Information

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

The standalone financial statements are approved for issue by the Board of Directors at its meeting held on 15th June 2020.

2 Significant accounting policies

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date.

(b) Basis of measurement

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

i) Certain financial assets and liabilities measured either at fair value or amortised cost depending on the classification;

ii) Defined employee benefit liabilities are recognised at the present value of defined benefit obligation adjusted for fair value of plan assets;

(c) Current and non-current classification

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

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management of the company to make judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

(e) Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values, for certain financial and non-financial assets and liabilities based on their classification.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

2.2 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives

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

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

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

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

Assets held for sale

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

2.3 Intangible Assets

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

2.4 Impairment of non-financial assets

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

2.5 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

Equity instruments measured at FVTOCI

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

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

De-recognition

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance

b) Trade Receivables that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

(b) Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

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

De-recognition

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

Offsetting of financial instruments

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

2.6 Taxes

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

(a) Current tax

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

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

(b) Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews such assets at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period. MAT paid in a year is charged to the statement of Profit and Loss as current tax.

(d) Dividend distribution tax (DDT)

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

2.7 Inventories

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

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

2.8 Provisions and contingent liabilities

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

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

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

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

2.9 Revenue Recognition

Rendering of services

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

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

Revenue from providing services is recognised in the accounting period in which such services are rendered.

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

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

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

Export incentives

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

Interest

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

2.10 Government grants

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

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

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

2.11 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.12 Retirement and other Employee Benefits

(a) Short-term obligations

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

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

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

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

(ii) Defined benefit plans

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

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

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

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

2.13 Leases (as a lessee)

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.14 Borrowing Costs

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

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

2.15 Earnings Per Share

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

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

2.16 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.17 Cash Flows

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

2.18 Segment Reporting

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

2.19 Cash and cash equivalents

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

2.20 Investments in the nature of equity in subsidiaries

The company has elected to recognise its investments in equity instruments in subsidiaries at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the company controls an investee if and only if it has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with Ind AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

3.A Significant accounting judgments, estimates and assumptions

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

3.1 Estimates and assumptions

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

(a) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(b) Deferred Taxes

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

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

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

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

(d) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(e) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history , existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Impairment of non-financial assets

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

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

(g) Research and Developments Costs

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

(h) Property, Plant and Equipment

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

(i) Current income taxes

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

(j) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due across all segments. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3.B New and amended IND Accounting Standards are effective from current year

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of

Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

The adoption of the new standard did not have any impact on the standalone financial statements of the Company.

(b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example;

(a) how it prepares its income tax filings and supports tax treatments; or

(b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

(c) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the standalone financial statements of the Company.

(d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(e) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company is in compliance with the said amendment.

4 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.There are no standards that are issued but not yet effective on March 31, 2020.

(Amount in INR millions, unless otherwise stated)

5 Property Plant and Equipment

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at 1 April 2019	Additions/ Adjustments	Deletions / Disposals	As at 31 March 2020	As at 1 April 2019	Depreciation for the period	Deletions/ Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Tangible Assets										
Land	21.88	-	-	21.88	-	-	-	-	21.88	21.88
Buildings	565.27	10.17	-	575.44	37.37	12.49	-	49.86	525.58	527.90
Furniture & Fixtures	108.02	3.71	-	111.73	37.19	13.33	-	50.52	61.21	70.83
Plant & Equipment	970.50	68.33	1.50	1,037.33	306.15	155.34	0.56	460.93	576.40	664.35
Electrical Installation	30.85	1.45	-	32.30	21.91	3.59	-	25.50	6.80	8.94
Office Equipment	17.78	0.92	-	18.70	10.16	3.11	-	13.27	5.43	7.62
Computers	53.37	85.75	-	139.12	26.71	16.87	-	43.58	95.54	26.66
Vehicles	29.08	3.46	-	32.54	10.04	4.49	-	14.53	18.01	19.04
Total	**1,796.75**	**173.79**	**1.50**	**1,969.04**	**449.53**	**209.22**	**0.56**	**658.19**	**1,310.85**	**1,347.22**
Previous Year	**1,657.09**	**144.96**	**5.30**	**1,796.75**	**253.19**	**197.23**	**0.89**	**449.53**	**1,347.22**	**1,403.90**

Note:

(i) Refer Note No. 17 of the standalone financial statements for disclosures relating to property, plant and equipment pledged as security by the Company.

(ii) Refer Note No. 35 of the standalone financial statements for disclosures relating to contractual commitments for acquisition of property, plant and equipment.

(Amount in INR millions, unless otherwise stated)

6 Capital work-in-progress

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	41.82	-
Add: Additions during the year	33.15	49.73
Less: Capitalised during the year	56.77	7.91
T O T A L	**18.20**	**41.82**

7 Investments

Particulars	As at 31 March 2020	As at 31 March 2019
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)		
In subsidiaries		
Emtac Laboratories Private Limited (31 March 2020: 34,16,500 Equity Shares of face value of ₹ 10/- each; 31 March 2019: Nil)	61.50	-
T O T A L	**61.50**	**-**

8 Loans

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Non-current		
Loans - considered good, unsecured		
Security deposit - Others	19.09	18.72
T O T A L	**19.09**	**18.72**
(B) Current		
Loans - considered good, unsecured		
Secured deposits - Others	12.48	12.24
Other Loans - Employees	1.66	1.96
T O T A L	**14.14**	**14.20**

Note: Loans due from related parties as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil)

(Amount in INR millions, unless otherwise stated)

9 Deferred tax Assets/liabilities (Net)

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Deferred tax liability on account of		
- property, plant and equipment	36.09	52.45
(B) Deferred tax asset on account of		
- Gratuity	10.23	18.06
- Compensated absences	17.18	11.72
- Bonus	5.78	3.26
- Impairment loss recognized under expected credit loss (ECL) model	8.02	8.38
	41.21	**41.42**
Total Deferred Tax Assets/(Liabilities) (Net) [A-B]	**5.12**	**(11.03)**

Movement in the deferred tax liabilities/(assets):

Particulars	Employee benefit expenses	Property, plant and equipment	Impairment loss recognized under ECL model	Total
Opening balance as of April 1, 2018	(37.31)	58.39	-	21.08
Charged/(credited)				
- to profit or loss	6.24	(5.94)	(8.38)	(8.08)
- to OCI	(1.97)	-	-	(1.97)
Closing balance as at March 31, 2019	**(33.04)**	**52.45**	**(8.38)**	**11.03**
Opening balance as of April 1, 2019	**(33.04)**	**52.45**	**(8.38)**	**11.03**
Charged/(credited)				
- to profit or loss	0.49	(16.36)	0.36	(15.51)
- to OCI	(0.64)	-	-	(0.64)
Closing balance as at March 31, 2020	**(33.19)**	**36.09**	**(8.02)**	**(5.12)**

10 Other Assets

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Other Non-Current assets (Unsecured, considered good)		
Income tax assets (Net)	74.21	43.34
TOTAL	**74.21**	**43.34**
(B) Other Current Assets (Unsecured, Considered good)		
Prepaid expenses	34.35	27.98
Advances for services and supplies	21.65	14.99
Balance with government authorities	7.68	4.59
Export incentives	56.74	41.05
Other advances	6.41	10.37
TOTAL	**126.83**	**98.98**

Note: Other Assets due from related parties as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil)

(Amount in INR millions, unless otherwise stated)

11 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Valued at the lower of cost and net realisable value		
Chemicals and consumables	127.09	140.86
Stores and spares	9.56	11.30
Work-in-progress	34.65	38.25
TOTAL	**171.30**	**190.41**

Note:

(i) Refer Note No. 17 of the standalone financial statements for disclosures relating to assets pledged as security by the Company.

12 Trade Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Trade receivables - considered good	576.78	585.29
Trade receivables - considered doubtful	31.86	28.76
Gross Trade receivables	608.64	614.05
Less : Impairment loss on receivables	31.86	28.76
TOTAL	**576.78**	**585.29**

Note:

(i) Neither trade nor other receivables are due from directors or other officers of the company either severally or jointly with any other person, Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Refer Note 33 of standalone financial statements for information about credit risk and market risk of trade receivables.

(iii) Refer Note No. 17 of the standalone financial statements for disclosures relating to assets pledged as security by the Company.

13 Cash and Bank Balances

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Cash and Cash equivalents:		
(i) Balance with Banks		
- Current Accounts	21.80	15.68
- EEFC Accounts	31.88	10.41
(ii) Cash on hand	1.15	0.58
TOTAL	**54.83**	**26.67**
(B) Bank balances other than (A) (i) above		
Deposits held as security for bank guarentees and others	9.32	4.70
Unclaimed Dividend accounts	2.37	2.08
TOTAL	**11.69**	**6.78**

Note :

(i) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period

(ii) Unclaimed Dividends are transferred to Investor Education and Protection Fund after seven years from due date in accordance with applicable provisions of the Act.

(Amount in INR millions, unless otherwise stated)

14 Other Financial Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Current - Unsecured, considered good		
Interest accrued on deposits	0.78	0.84
TOTAL	**0.78**	**0.84**

Note: Other Financial Assets due from related parties as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil)

15 Equity Share Capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorized				
Equity Shares of ₹ 2/- each	35,000,000	70.00	35,000,000	70.00
Issued, subscribed and fully paid-up				
Equity Shares of ₹ 2/- each	**22,107,810**	**44.22**	**22,107,810**	**44.22**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	22,107,810	44.22	22,107,810	44.22
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**22,107,810**	**44.22**	**22,107,810**	**44.22**

(b) Rights, preferences and restrictions attached to shares

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

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

The Board of Directors of the company have recommended a dividend of ₹ Nil per equity share of ₹ 2/- each for the financial year 2019-20 (FY 2018-19: ₹ 2/-per equity share of ₹ 2/- each), subject to approval of the shareholders at the ensuing Annual General Meeting.

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Eurofins Analytical Services India Pvt. Ltd.	4,403,668	19.92	4,403,668	19.92
Sivalinga Prasad Vasireddi	3,598,525	16.28	3,598,525	16.28
LCGC Chromatography Solutions Pvt. Ltd.	2,083,175	9.42	2,083,175	9.42
Vangal Harriman	1,777,893	8.04	1,777,166	8.04
Vasireddi Veerabhadra Prasad	1,463,515	6.62	1,463,515	6.62

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

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

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(Amount in INR millions, unless otherwise stated)

16 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Security Premium		
Balance at the beginning and end of the period	773.73	773.73
General Reserve		
Balance at the beginning and end of the period	86.40	86.40
Retained Earnings		
Balance at the beginning of the year	826.74	626.94
Add: Profit for the year	69.27	253.11
Less: Dividend on Equity Shares	44.22	44.22
Less: Tax on Dividend	9.09	9.09
Balance at the end of the year	842.70	826.74
Other Comprehensive Income		
Balance at the beginning of the year	(15.57)	(10.76)
Add: Other comprehensive income/(loss) for the year	(1.89)	(4.81)
Balance at the closing of the year	(17.46)	(15.57)
TOTAL	**1,685.37**	**1,671.30**

Nature and purpose of reserves:

Security premium: This is the premium received on issue of equity shares and will be utilised as per the applicable provisions of the Act.

General reserves: This is the amount transferred from retained earnings and will be utilised as per the applicable provisions of the Act.

Retained earnings: This comprises of net accumulated profit of the Company after declaration of dividend.

Other comprehensive income: This comprises of actuarial gain/(loss) [net of taxes] at the end of the reporting period.

17 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Non-current Borrowings		
Secured		
Loans from Banks		
- Rupee term loan	48.00	72.00
- Foreign currency term loan	63.85	116.76
Loans from Financial Institution		
- Rupee term loan	23.60	17.08
	135.45	205.84
Unsecured		
- Loan from Financial Institutions	12.19	-
	147.64	205.84
Less: current maturities [Refer Note 21]	101.69	90.16
TOTAL	**45.95**	**115.68**
(B) Current Borrowings		
Secured, repayable on demand		
- Working capital loans from banks	177.04	52.42
TOTAL	**177.04**	**52.42**

Note:

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

1. The rupee term loan from Kotak Mahindra Bank amounting to ₹ 48.00 Million as at March 31, 2020 (sanctioned limit of ₹ 54.00 Million in FY 2019-20) is secured by way of first charge to bank on assets created out of Term Loan. This loan is also secured by Second Charge on Current Assets (Both Present and Future) of the company at paripasu basis with Axis bank ltd.

2. The above mentioned rupee term loan carries an interest at the rate of 0.80% above MCLR 1 Year rate and is repayable in 9 equal quarterly instalments commencing from February 2020 (as per sanction letter).

3. First paripassu charge along with Axis bank on Industrial land and building situated at Plot No 141/2 and 142, IDA, Phase -II, Cherlapally, Hyderabad-500051 as collateral security.

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

1. The foreign currency term loan from Axis bank amounting to ₹ 63.85 Million (equivalent to USD 0.847 Million) as at March 31, 2020 (sanctioned limit of ₹ 75.3 Million in FY 2019-20) is secured by way of first charge to bank on assets created out of Term Loan.

2. The above mentioned foreign currency term loan carries interest at 2.5% over six months LIBOR plus 0.50% mark up fee over six months LIBOR and repayable in 5 equal quarterly instalments commencing from March 2020 (as per sanction letter).

3. First paripassu charge along with Kotak Mahindra bank on Industrial land and building situated at Plot No 141/2 and 142, IDA, Phase -II, Cherlapally, Hyderabad-500051 as collateral security.

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

1\. i) The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 11.14 Million as at March 31, 2020 (sanctioned limit of ₹ 24.40 Million in FY 2018-19) is secured by way of exclusive charge on assets acquired from such loan by way of hypothecation.

ii) The above-mentioned rupee term loan carries an interest at the rate of 5.00% as at March 31, 2020 (March 31, 2019 is 5%) and is repayable in 12 quarterly instalments commencing from March 2019.

2\. i) The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 12.46 Million as at March 31, 2020 (sanctioned limit of ₹ 19.24 Million in FY 2019-20) is secured by way of exclusive charge on assets acquired from such loan by way of hypothecation.

ii) The above-mentioned rupee term loan carries an interest at the rate of 5.00% as at March 31, 2020 and is repayable in 12 quarterly instalments commencing from October 2019.

(d) Terms and conditions of unsecured loans

1. The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 5.43 Million as at March 31, 2020 (sanctioned limit of ₹ 8.67 Million in FY 2019-20) carries at Nil interest and is repayable in 20 quarterly instalments commencing from September 2019.

2. The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 6.78 Million as at March 31, 2020 (sanctioned limit of ₹ 9.69 Million in FY 2019-20) carries at Nil interest and is repayable in 20 quarterly instalments commencing from January 2020.

(e) Maturity profile of long-term borrowings:

31 March 2020 (Amount in INR millions, unless otherwise stated)

Particulars	Within 1 year	1 - 2 years	2 - 5 years	Total
Rupee term loan from bank	24.00	24.00	-	48.00
Foreign currency term loan from bank	63.85	-	-	63.85
Loan from Financial Institutions	13.84	12.59	9.36	35.79
TOTAL	**101.69**	**36.59**	**9.36**	**147.64**

31 March 2019

Particulars	Within 1 year	1 - 2 years	2 - 5 years	Total
Rupee term loan from bank	24.00	24.00	24.00	72.00
Foreign currency term loan from bank	60.22	56.54	-	116.76
Loan from Financial Institutions	5.94	6.25	4.89	17.08
TOTAL	**90.16**	**86.79**	**28.89**	**205.84**

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

1. The working capital facility from Axis bank carries an interest of 0.80% above 3 Months MCLR rate and is secured by way of first paripassu charge on entire current assets of the company(both present and future) along with Kotak Mahindra bank ltd.
2. The working capital facility from Kotak Mahindra bank carries an interest of 0.35% above MCLR 6 Months rate and is secured by way of first paripassu charge on entire current assets of the company (both present and future) along with Axis bank ltd.
3. First paripassu charge to Axis Bank and Kotak Mahindra bank on Industrial land and building situated at Plot No 141/2 and 142, IDA, Phase -II, Cherlapally, Hyderabad-500051 as collateral security.

(g) Details of security of Long term and short-term borrowings in FY 2018-19:

1.i) The rupee term loan from State Bank of India amounting to ₹ 72.00 Million as at March 31, 2019 (sanctioned limit of ₹ 84.00 Million in FY 2017-18) is secured by way of first charge on fixed assets of the Company and structures thereon (both present and future) by way of hypothecation and equitable mortgage thereon excluding asset acquired/to be acquired by loan taken from Cisco Systems Capital India Private Limited, as mentioned in note (c) above. Additionally, this loan is also secured by a first charge on all current assets of the Company (both present and future).

ii). The above mentioned rupee term loan carries an interest at the rate of 2.50% above MCLR rate and is repayable in 14 equal quarterly instalments commencing from November 2018.

2.i) The foreign currency term loan from State Bank of India amounting to ₹ 116.75 Million (equivalent to USD 1.69 Million) as at March 31, 2019 (sanctioned limit of rupee term loan of ₹ 271 Million in FY 2015-16) is secured by way of first charge on fixed assets of the Company and structures thereon (both present and future) by way of hypothecation and equitable mortgage thereon excluding asset acquired/to be acquired by loan taken from Cisco Systems Capital India Private Limited, as mentioned in note (c) above. Additionally, this loan is also secured by a first charge on all current assets of the Company (both present and future).

ii). The above mentioned foreign currency term loan carries interest at 3.25% over six months LIBOR and repayable in 14 equal quarterly instalments commencing from December 2017.

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

(Amount in INR millions, unless otherwise stated)

18 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Non-current		
Provision for employee benefits		
- Gratuity, funded	54.07	50.97
- Compensated absences	31.74	31.83
TOTAL	**85.81**	**82.80**
(B) Current		
Provision for employee benefits		
- Gratuity, funded	14.20	11.26
- Compensated absences	8.89	8.43
TOTAL	**23.09**	**19.69**

19 Other non-current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred grant income related to Property, Plant & Equipment	10.76	14.11
Deferred grant income related to revenue (Refer note given below)	2.13	2.13
TOTAL	**12.89**	**16.24**

Note: The company was granted an in-principal approval of a grant-in-aid of ₹ 7.1 million during FY 2017-18 by the biotechnology industry research assistance council for project entitled towards preclinical evaluation of clinical grade vaccine. However, the balance grant ₹ 4.97 million is yet to be received by the company as on March 31, 2020

20 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding dues of micro enterprises and small enterprises	14.63	19.25
Outstanding dues of creditors other than micro enterprises and small enterprises	87.35	91.06
TOTAL	**101.98**	**110.31**

Note:

(i) Detailed disclosure relating to supplier registered under MSMED Act are given in Note 41 of the standalone financial statements

21 Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings	101.69	90.16
Interest accrued	0.54	0.75
Unclaimed dividends	2.37	2.08
Creditors for capital expenditure	25.35	17.37
Security deposits	-	6.00
Others - Dues for revenue expenses	86.45	79.06
TOTAL	**216.40**	**195.42**

Note: Unclaimed dividends do not include any amount due and outstanding to be credited to investor education and protection fund.

(Amount in INR millions, unless otherwise stated)

22 Other Current Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred grant income related to Property, Plant & Equipment	3.35	3.35
Advances from customers	34.32	28.44
Others - Statutory Dues	14.90	23.37
TOTAL	**52.57**	**55.16**

23 Revenue from Operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services - Testing and Analysis	1,783.76	2,079.60
Other operating revenue - Export Incentives	22.98	46.81
TOTAL	**1,806.74**	**2,126.41**

24 Other Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
i) Interest income on:		
- Bank deposits	0.64	0.29
- Deposits with State Electricity Corporations	0.80	0.89
- Interest Income on fair value measurement	0.32	0.29
- Income tax refunds	3.07	5.44
- Employees loans	0.20	0.28
ii) Others		
- Liabilities no longer required written back	3.40	0.18
- Grant income	4.35	3.35
- Gain on foreign currency transactions and translations (net)	14.43	8.22
- Miscellaneous receipts	1.34	0.33
- Profit on Sale of Property, Plant and Equipment	1.63	-
TOTAL	**30.18**	**19.27**

(Amount in INR millions, unless otherwise stated)

25 Cost of material consumed and testing expenditure

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Cost of materials consumed		
Inventory at the beginning of the year	152.16	152.17
Add : Purchases	308.59	356.39
Less : Inventory at the end of the year	136.65	152.16
SUB-TOTAL (A)	**324.10**	**356.40**
(b) Testing expenditure		
Sample preparation, data generation, inspection & testing expenditure	99.04	133.15
Carriage Inwards	2.84	3.21
Power and fuel	102.10	94.31
Water Charges	5.73	4.92
SUB-TOTAL (B)	**209.71**	**235.59**
TOTAL (A) + (B)	**533.81**	**591.99**

26 Changes in inventories of Work-in Progress

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening Work-in-Progress	38.25	30.47
Less : Closing Work-in-Progress	34.65	38.25
Decrease/(Increase) in Work-in-Progress	**3.60**	**(7.78)**

27 Employee benefits expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	503.50	477.39
Directors remuneration	38.43	40.66
Contribution to provident and other funds	29.76	29.83
Gratuity	11.52	10.62
Compensated absences	12.67	16.74
Staff welfare expenses	18.41	17.29
TOTAL	**614.29**	**592.53**

28 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on term loans	12.78	21.46
Interest on working capital loans	10.25	9.17
Interest on finance lease obligations	-	0.01
Interest expense on fair value measurement	0.36	0.30
Interest on Income Tax	1.11	
Bank charges	5.69	4.34
Exchange differences regarded as an adjustment to borrowing cost	7.46	10.79
TOTAL	**37.65**	**46.07**

(Amount in INR millions, unless otherwise stated)

29 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sitting fees to directors	0.48	0.20
Rent	20.90	21.81
Rates, taxes, duties and levies	26.83	12.54
Insurance	6.40	6.28
Repairs and maintenance :		
- Plant and Machinery	81.08	65.48
- Buildings	13.32	13.97
- Vehicles	5.06	4.73
Advertisement and sales promotion	5.99	6.99
Commission	1.40	4.21
Travelling and conveyance	63.08	60.50
Communication expenses	21.60	22.78
Printing and Stationery	2.86	2.53
Books and periodical	0.12	0.24
Professional and consultancy services	60.14	47.96
Membership and subscriptions	1.19	0.87
House Keeping and premises maintenance	11.46	10.04
Security charges	7.14	6.82
Recruitment and training expenses	0.89	2.04
Payments to auditors :		
- for statutory audit	1.25	1.25
- for tax audit	0.15	0.15
- for other services	0.46	0.30
- for reimbursement of expenses	0.07	0.04
Software charges	1.30	1.16
Loss of sale of assets	-	2.25
Bad debts written off	10.83	44.03
Impairment loss on receivables	3.10	28.76
Corporate Social Responsibility expenses	5.02	3.26
Miscellaneous expenses	2.77	3.04
TOTAL	**354.89**	**374.23**

(Amount in INR millions, unless otherwise stated)

30 Tax Expense

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
(A) Tax expense charged to Statement of Profit and Loss		
Current tax (I)		
Current tax expense for current year	33.61	115.20
Current tax expense pertaining to prior years	(3.91)	(8.82)
	29.70	**106.38**
Deferred tax (II)		
Deferred tax expense for current year	(15.51)	(8.08)
	(15.51)	**(8.08)**
Total tax expense recognised in current year (I + II)	**14.19**	**98.30**
(B) Tax expense charged to Other Comprehensive Income	**0.64**	**1.97**
(C) Reconciliation of tax expense		
Profit before tax	83.46	351.41
Tax expense at applicable tax rates March 31, 2020 :25.17% (March 31, 2019: 29.12%;)	21.01	102.33
Tax effect of adjustments to reconcile expected tax expense to reported tax expense:		
- adjustment for previous years	(3.91)	(8.82)
- items not deductible for tax	(1.51)	3.39
- due to adoption of new tax rate	(1.50)	-
- Others	0.10	1.40
Tax expense reported in Statement of Profit and Loss	**14.19**	**98.30**

(Amount in INR millions, unless otherwise stated)

31 Earnings per share

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders (in INR Million)	69.27	253.11
Profit attributable to equity holders adjusted for the effect of dilution (in INR Million)	69.27	253.11
Weighted average number of equity shares for basic EPS (in No's)	22,107,810	22,107,810
Weighted average number of equity shares adjusted for the effect of dilution (in No's)	22,107,810	22,107,810
Nominal/Face Value per share (INR)	2.00	2.00
Basic Earnings per share (INR)	3.13	11.45
Diluted Earnings per share (INR)	3.13	11.45

32 Fair value measurements

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

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Financial Assets			
Investments	7	61.50	-
Loans (current and non-current)	8A & 8B	33.23	32.92
Trade receivables (net)	12	576.78	585.29
Cash and cash equivalents	13A	54.83	26.67
Bank balances other than Cash and cash equivalents	13B	11.69	6.78
Other financial assets	14	0.78	0.84
		738.81	**652.50**
Financial Liabilities			
Borrowings (current and non-current)	17A & 17B	222.99	168.10
Trade Payables	20	101.98	110.31
Other financial liabilities	21	216.40	195.42
		541.37	**473.83**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds investment in its subsidiary.

The carrying amounts of trade receivables, trade payables and cash and bank balances are considered to be the same as their fair values, due to their short-term nature. The difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value. For financial assets measured at fair values, the carrying amounts are equal to the fair values.

(Amount in INR millions, unless otherwise stated)

33 Financial risk management objectives and policies

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

(i) Market Risk

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

a) Foreign Currency risk

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

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Foreign Currency	Amounts in INR	Foreign Currency	Amounts in INR
United States Dollar				
Assets - Trade Receivables	2.23	168.36	2.17	149.80
Assets - Vendor Advances	0.01	0.91	0.00	0.07
Liabilities - Trade Payables	(0.24)	(17.92)	(0.09)	(5.88)
Liabilities - Borrowings	(0.85)	(63.85)	(1.69)	(116.76)
Liabilities - Customer Advances	(0.07)	(5.03)	-	-
Euro				
Assets - Trade Receivables	0.04	3.00	0.16	12.44
Liabilities - Customer Advances	(0.00)	(0.08)	(0.00)	(0.09)
Assets - Vendor Advances	0.06	4.63	-	-
Liabilities - Trade Payables	(0.00)	(0.39)	-	-
Great Britain Pound				
Assets - Trade Receivables	0.03	2.45	0.05	4.96
Liabilities - Trade Payables	(0.00)	(0.26)	-	-
Malaysian Ringgit				
Assets - Trade Receivables	0.93	16.30	2.77	47.43
Swiss Franc				
Assets - Vendor Advances	0.09	6.69	-	-

(Amount in INR millions, unless otherwise stated)

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

Particulars	Year End Spot Rate	
	As at 31 March 2020	As at 31 March 2019
United States Dollar	75.3859	69.1713
Euro	83.0496	77.7024
Great Britain Pound	93.0760	90.4756
Malaysian Ringgit	17.4570	17.0965
Swiss Franc	78.3431	69.8067

Foreign currency sensitivity

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

Particulars	Impact on Profit		Impact on Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
5% Sensitivity* of:				
United States Dollar	4.12	(4.12)	3.09	(3.09)
Euro	0.36	(0.36)	0.27	(0.27)
Great Britain Pound	0.11	(0.11)	0.08	(0.08)
Malaysian Ringgit	0.82	(0.82)	0.61	(0.61)
Swiss Franc	0.33	(0.33)	0.25	(0.25)
31 March 2019				
5% Sensitivity* of:				
United States Dollar	1.36	(1.36)	0.96	(0.96)
Euro	0.62	(0.62)	0.44	(0.44)
Great Britain Pound	0.25	(0.25)	0.18	(0.18)
Malaysian Ringgit	2.37	(2.37)	1.68	(1.68)

* Holding all other variables constant

b) Interest rate risk

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed rate instruments		
Financial assets	44.92	39.70
Financial liabilities	35.79	23.08
Variable rate instruments		
Financial liabilities	288.89	241.18

(Amount in INR millions, unless otherwise stated)

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

Particulars	As at 31 March 2020	As at 31 March 2019
Interest rates increase by 100 basis points *	2.89	2.41
Interest rates decrease by 100 basis points *	(2.89)	(2.41)

* Holding all other variables constant

c) Price risk

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

ii) Credit risk

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

Trade and other receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over the last 12 quarters before the reporting date and the corresponding historical credit losses experienced at the end of each quarter. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit loss assessment from customers as at March 31, 2020 are as follows:

Particulars	Gross carrying amount	Expected credit losses	Carrying amount of trade receivables
31 March 2020			
Upto 180 days	467.09	(3.79)	463.30
Over 180 days	141.55	(28.07)	113.48
Total	**608.64**	**(31.86)**	**576.78**
31 March 2019			
Upto 180 days	483.80	(3.43)	480.37
Over 180 days	130.25	(25.33)	104.92
Total	**614.05**	**(28.76)**	**585.29**

Collateral held as security and other credit enhancements

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

Financial assets that are neither past due nor impaired

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

(Amount in INR millions, unless otherwise stated)

Financial assets that are neither past due but not impaired

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

Period in days	As at 31 March 2020	As at 31 March 2019
Upto 180 days	463.30	480.37
Over 180 days	113.48	104.92
	576.78	**585.29**

iii) Liquidity risk

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Current assets	956.35	923.17
Current liabilities	571.08	433.00
Working capital	**385.27**	**490.17**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Less than 1 year		
- Borrowings	278.73	142.58
- Trade payables	101.98	110.31
- Other financial liabilities	114.71	105.26
1 to 2 years		
- Borrowings	36.59	86.79
2 to 5 years		
- Borrowings	9.36	28.89

iv) Excessive risk concentration

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

(Amount in INR millions, unless otherwise stated)

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

34 Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
A. Claims against the Company not acknowledged as debts in respect of:		
(i) Income tax demands not provided for Assessment Year 2012-13, 2013-14 and 2014-15 (pending before the Income Tax Appellate Tribunal)	-	8.13
(ii) Income tax demands not provided for Assessment Year 2016-17 (pending before the Commissioner of Income Tax (Appeals))	-	1.75
(iii) Employees provident fund demand not provided for (pending before the Employees' Provident Funds Appellate Tribunal)	8.70	8.70
	8.70	**18.58**
B. Bank Guarantees	**19.52**	**13.44**

Note: (a) Based on the Supreme Court Judgment dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. On the basis of legal advice, the management has determined that there is no impact of the aforesaid ruling on the standalone financial statements of the Company.

(b) Bank Guarantees are issued to meet certain business obligations towards government agencies and certain customers.

35 Commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	76.91	33.92

36 Leases

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total rental expense relating to operating lease	20.90	21.81
- Non-cancellable	-	-
- Cancellable	20.90	21.81

37 Research and development expenditure

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Aggregate amount of research and development expenditure recognised as an expense during the year		
Employee benefits expenses	5.50	2.38
Materials and stores and spares consumption	2.40	4.14
Other expenses	1.10	1.50
	9.00	**8.02**

(Amount in INR millions, unless otherwise stated)

38 Corporate social responsibility expenditure (CSR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent during the year	5.02	3.26
Add: Unspent Amount brought forward from previous year	-	-
Less: Actual amount spent during the year	5.02	3.26
Balance amount to be spent in future years	-	-

39 Related Party Disclosures

(A) Names of related parties and nature of relationship

Name of the Related Parties	Nature of Relationship
(i) Key Management Personnel (KMP)	
Dr. S P Vasireddi	Chairman & Non-Executive Director
Harita Vasireddi	Managing Director
Harriman Vungal	Executive Director (ED) - Operations
Satya Sreenivas Neerukonda	Executive Director (w.e.f. 14th July 2019)
V V Prasad	Executive Director (ED) - Admn. (up to 14th July 2019)
Prof. D. Balasubramanian	Independent Director (upto 31st March 2019)
T S Ajai	Independent Director (up to 16th May 2019)
Rao Purnachandra Potarlanka	Independent Director (up to 16th May 2019)
Y Prameela Rani	Independent Director
Amit Pathak	Chief Financial Officer
Murali Mohana Rao Mokkapati	Chief Financial Officer (up to 01st December 2018)
Sujani Vasireddi	Company Secretary
A Venkataramana	Company Secretary (up to 31st August 2018)
Popuri Adheyya Chowdary	Independent Director (w.e.f 11th May 2019)
Sanjay Dave	Independent Director (w.e.f 11th May 2019)
G Purnachandra Rao	Independent Director (w.e.f 11th May 2019)
(ii) Relatives of Key Management Personnel (KMP)	
Sireesh Chandra Vungal	Son of ED - Operations
Sudheshna Vungal	Daughter of ED - Operations
Praveena Vasireddi	Daughter of Chairman
Satya Sreenivas Neerukonda	Son-in-law of ED - Admin
Rajeswari Vungal	Wife of ED - Operations
Rajya Lakshmi Vasireddi	Wife of ED - Admin
Swarnalatha Vasireddi	Wife of Chairman

(iii) Wholly Owned Subsidiary

Emtac Laboratories Private Limited (w.e.f. 4th March 2020)

(iv) Companies in which some of the Directors or other relatives are interested

Bloomedha Info Solutions Limited

Covide Business Integrated Private Limited

(Amount in INR millions, unless otherwise stated)

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Remuneration to Key Management Personnel (KMP) *		
Dr. S P Vasireddi	-	14.32
Harita Vasireddi	13.44	12.43
Harriman Vungal	13.44	12.43
Satya Sreenivas Neerukonda	7.69	
V V Prasad	15.40	12.43
Amit Pathak	3.94	0.89
Murali Mohana Rao Mokkapati	-	2.80
Sujani Vasireddi	2.30	2.04
A Venkataramana	-	1.12
* Remuneration is inclusive of retiral benefits such as provident fund, gratuity and leave encashment		
(ii) Rent paid to Key Management Personnel (KMP)		
Harriman Vungal	0.18	0.18
(iii) Remuneration to relatives of Key Management Personnel (KMP)		
Sireesh Chandra Vungal	5.97	5.90
Sudheshna Vungal	1.89	1.28
Satya Sreenivas Neerukonda (upto 13th July 2019)	1.70	5.97
Praveena Vasireddi	1.75	1.74
(iv) Sitting Fees to KMP - Independent Directors		
Prof. D. Balasubramanian	-	0.07
Y Prameela Rani	0.15	0.13
Popuri Adheyya Chowdary	0.11	-
Sanjay Dave	0.10	-
G Purnachandra Rao	0.13	-
(v) Dividends Paid		
Dr. S P Vasireddi	7.20	7.20
Harita Vasireddi	0.34	0.34
Harriman Vungal	3.55	3.55
V V Prasad	2.93	2.93
Sireesh Chandra Vungal	0.22	0.22
Sudheshna Vungal	0.20	0.20
Praveena Vasireddi	0.25	0.25
Sujani Vasireddi	0.25	0.25
Rajeswari Vungal	0.16	0.16
Rajya Lakshmi Vasireddi	0.08	0.08
Swarnalatha Vasireddi	0.19	0.19
(vi) Services received		
Bloomedha Info Solutions Limited	0.58	5.10

(Amount in INR millions, unless otherwise stated)

(C) Balances payable/(receivable)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Dues Payable to KMPs and their relatives:		
Dr. S P Vasireddi	-	0.34
Harita Vasireddi	3.28	0.32
Harriman Vungal	1.41	0.51
V V Prasad	0.46	0.52
Sujani Vasireddi	0.03	0.05
Amit Pathak	0.28	0.27
Sudheshna Vungal	0.12	0.12
Satya Sreenivas Neerukonda	1.55	0.21
Praveena Vasireddi	0.10	0.07
Sireesh Chandra Vungal	0.10	0.22
(ii) Others		
Bloomedha Info Solutions Limited	0.01	0.52
Covide Business Integrated Private Limited	(0.10)	-

40 Employee benefits

(A) Defined Contribution Plans

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employers’ Contribution to Provident Fund	32.02	30.81
Employers’ Contribution to Employee State Insurance	3.16	4.71

(B) Defined benefit plans

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	7.17	7.07
Past service cost	-	-
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	4.35	3.55
Total amount recognized in the Statement Profit and Loss	**11.52**	**10.62**

(Amount in INR millions, unless otherwise stated)

Amounts recognised in Other Comprehensive Income are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial losses		
- change in demographic assumptions	(0.01)	-
- change in financial assumptions	3.58	0.95
- experience variance (i.e. Actual experience vs assumptions)	(1.56)	4.89
Return on plan assets, excluding amount recognised in net interest expense	0.51	0.94
Total amount recognised in the other comprehensive income	**2.52**	**6.78**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	65.36	60.99
Current service cost	7.17	7.07
Interest Expense or Cost	4.57	4.48
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.01)	-
- change in financial assumptions	3.58	0.95
- experience variance (i.e. actual experience v/s assumptions)	(1.56)	4.89
Past service cost	-	-
Benefits paid	(10.63)	(13.02)
Present value of obligation at the end of the year	**68.48**	**65.36**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Fair Value of Plan Assets as at the beginning of the year	3.14	12.67
Investment Income	0.22	0.93
Employer's Contribution	7.99	3.50
Benefits Paid	(10.63)	(13.02)
Return on plan assets , excluding amount recognised in net interest expense	(0.51)	(0.94)
Fair Value of Plan Assets as at the end of the year	**0.21**	**3.14**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	(68.48)	(65.36)
Fair value of plan assets	0.21	3.14
Net Asset/(Liability)	**(68.27)**	**(62.22)**

(Amount in INR millions, unless otherwise stated)

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	5.55%	6.95%
Salary growth rate (per annum)	4.00%	4.00%
Mortality rate (% of IALM 12-14)	100.00%	100.00%
Normal retirement age (as per Company's policy)	60 and 70	60 and 70
Attrition / Withdrawal rate (per annum)	20%	20%

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

Impact on defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
Discount Rate		
1% increase	65.88	63.04
1% decrease	71.28	67.86
Salary Growth Rate		
1% increase	71.12	67.77
1% decrease	65.97	63.08
Attrition Rate		
50% increase	68.44	66.09
50% decrease	67.18	62.56
Mortality Rate		
10% increase	68.48	65.37
10% decrease	68.47	65.35

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

Risk exposure

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

(a) Asset volatility: The plan liabilities are calculated using a discount rate set with reference to current investment patterns in the economy; if plan assets underperform this yield, this will create a deficit. The plan asset investments are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the investments. The Company intends to maintain the investment pattern in the continuing years.

(b) Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(c) Life expectancy: The defined benefit obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

(Amount in INR millions, unless otherwise stated)

Defined benefit liability and employer contributions

The following contributions and expected undiscounted future benefit payments:

Particulars	As at 31 March 2020	As at 31 March 2019
0 - 1 Year	14.41	14.39
2 - 5 Years	43.80	46.54
6 - 10 Years	19.70	17.75
More than 10 Years	9.57	8.91

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (31 March 2018: 3 years).

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	14.63	19.25
Interest	-	-
Total	**14.63**	**19.25**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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

42 Segment Reporting

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

43 Capital management

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

(Amount in INR millions, unless otherwise stated)

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

Particulars		**As at 31 March 2020**	**As at 31 March 2019**
Equity Share Capital		44.22	44.22
Other Equity		1,685.37	1,671.30
Total Equity	(i)	**1,729.59**	**1,715.52**
Long-term borrowings		45.95	115.68
Short-term borrowings		177.04	52.42
Other financial liabilities (current maturities of long-term borrowings)		101.69	90.16
Less: Cash and Cash equivalents		54.83	26.67
Total Debt	(ii)	**269.85**	**231.59**
Overall financing	(iii) = (i) + (ii)	1,999.44	1,947.11
Gearing ratio	**(ii)/ (iii)**	**13.50%**	**11.89%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. Further there were no changes were made in the objectives, policies or processes for managing capital for the years ended March 31, 2020.

44 Estimation of uncertainty relating to COVID-19 global health pandemic

In assessing the recoverability of loans, receivables and investments of the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these standalone financial statements.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the company's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions.

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

As per our report of even date.
For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

Harita Vasireddi
Managing Director
DIN: 00242512

Harriman Vungal
ED-Operations
DIN : 00242621

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Vimta Labs Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Vimta Labs Limited** (hereinafter referred to as the 'Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the Significant Accounting Policies and other explanatory information (hereinafter 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 and based on the consideration of the reports of the other auditors on separate financial statements, 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 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 Group as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Sl. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Provision for impairment loss in accounts receivables. The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows. Refer to Note No.11 to the Consolidated Financial statements.	Our audit procedure in respect of this area included the following: • Understand and assess the management's estimate and related policies used in the credit loss analysis • Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions. • Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy. • For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash shortfalls and reviewed whether amounts have been recovered after the end of reporting period. • Obtained debtors' credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables according to the provision matrix.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, 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.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid .

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the 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 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 Holding company and its subsidiary company have 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 Group 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 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 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 of the entities or business activities within the Group to express an opinion on the consolidated 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 of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Other Matters

We did not audit the financial statements of EMTAC Laboratories Private Limited, a subsidiary, whose financial statements include total assets of ₹18.03 millions and net assets of ₹4.88 millions as at 31st March, 2020, total revenues of ₹12.44 millions and net cash outflows of ₹0.63 millions for the year ended on that date, as considered in the consolidated financial statements. This subsidiary's financial statements are audited by other auditors whose reports 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 subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to this subsidiary, is based solely on the reports of other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The 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.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors of the Holding company as on March 31, 2020 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on March 31, 2020 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 Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. We report that subsidiary company has not paid or provided for any remuneration during the year covered under audit.

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

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For GATTAMANENI & CO.,
Chartered Accountants
(Firm.Regn.No:9303S)

G. SRINIVASARAO
Partner
(ICAI Ms. No. 210535)
UDIN:20210535AAAABI1428

Place: Hyderabad
Date: June 15, 2020

Annexure – A

to the Independent Auditor's Report

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date on the consolidated financial statements of Vimta Labs Limited)

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

We have audited the Internal Financial Controls over financial reporting of **VIMTA LABS LIMITED** ("the Holding Company") and its Subsidiary company (Holding company and its subsidiary together referred to as "Group") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding Company and its subsidiary company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of Internal Financial Control stated in the Guidance Note.

For GATTAMANENI & CO.,
Chartered Accountants
(Firm.Regn.No:9303S)

G. SRINIVASARAO
Partner
(ICAI Ms. No. 210535)
UDIN:20210535AAAABI1428

Place: Hyderabad
Date: June 15, 2020

Consolidated Balance Sheet
as at March 31, 2020

(Amount in INR millions, unless otherwise stated)

Particulars	Note No	As at 31 March 2020
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	5	1,323.92
(b) Capital works-in-progress	6	18.20
(c) Goodwill		55.80
(d) Financial assets		
(i) Loans	7A	19.82
(e) Deferred Tax Assets (Net)	8	4.40
(f) Other non-current assets	9A	76.19
Total Non-Current assets		**1,498.33**
Current assets		
(a) Inventories	10	171.30
(b) Financial assets		
(i) Trade receivables	11	578.45
(ii) Cash and cash equivalents	12A	55.05
(iii) Bank balances other than (ii) above	12B	11.69
(iv) Loans	7B	14.14
(v) Other financial assets	13	0.78
(c) Other current assets	9B	127.20
Total Current assets		**958.61**
TOTAL ASSETS		**2,456.94**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	14	44.22
(b) Other equity	15	1,684.55
Total equity		**1,728.77**
Liabilities		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	16A	53.84
(ii) Other financial liabilities		
(b) Provisions	17A	85.81
(c) Other non-current liabilities	18	12.89
Total Non Current Liabilities		**152.54**
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	16B	177.04
(ii) Trade payables	19	
- Outstanding dues of micro enterprises and small enterprises		14.63
- Outstanding dues of creditors other than micro enterprises and small enterprises		90.37
(iii) Other financial liabilities	20	217.36
(b) Other current liabilities	21	53.14
(c) Provisions	17B	23.09
Total Current Liabilities		**575.63**
TOTAL EQUITY AND LIABILITIES		**2,456.94**

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

As per our report of even date.
For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

Harita Vasireddi
Managing Director
DIN: 00242512

Harriman Vungal
ED-Operations
DIN : 00242621

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Consolidated Statement of Profit and Loss
for the year ended March 31, 2020

(Amount in INR millions, unless otherwise stated)

	Particulars	Note No	Year Ended 31 March 2020
I.	**Income**		
	Revenue from Operations	22	1,807.12
	Other Income	23	30.18
	Total Income		**1,837.30**
II.	**Expenses**		
	Cost of material consumed and testing expenditure	24	533.85
	Changes in inventories of work-in-progress	25	3.60
	Employee benefits expense	26	614.74
	Finance costs	27	37.65
	Depreciation expense	5	209.33
	Other expenses	28	355.43
	Total Expenses		**1,754.60**
III.	**Profit before tax [I-II]**		**82.70**
IV.	**Tax expense**	29	
	(a) Current tax		33.61
	(b) Prior year adjustments		(3.91)
	(c) Deferred tax (benefit)/expense		(15.45)
	Total Tax Expense		**14.25**
V.	**Profit for the year [III-IV]**		**68.45**
VI.	**Other comprehensive Income**		
	Items that will not be reclassified to profit or loss		
	(a) Re-measurement of the net defined liability		(2.53)
	(b) Income tax relating to the above item		0.64
	Total other comprehensive income/(loss), net of tax		**(1.89)**
VII.	**Total Comprehensive income for the year [V-VI]**		**66.56**
VIII.	**Earnings per share**	30	
	Basic (INR)		**3.10**
	Diluted (INR)		**3.10**

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

As per our report of even date.

For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
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Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Consolidated Statement of Cash Flows
for the year ended March 31, 2020

(Amount in INR millions, unless otherwise stated)

Particulars	Year Ended 31 March 2020
Cash flow from operating activities	
Profit before tax	82.70
Adjustments to reconcile profit before tax to net cash flows:	
- Depreciation expense	209.33
- Interest Cost paid	23.03
- Impairment loss on receivables	3.10
- Bad Debts written off	10.83
- Loss/(Profit) on sale of property, plant and equipment	(1.63)
- Liabilities no longer required written back	3.41
- Interest Income received	(5.03)
- Income from Government Grants	(3.35)
- Unrealised foreign exchange gains and losses (net)	(3.54)
Adjustments for changes in working capital:	
- (Increase)/decrease in inventories	19.10
- (Increase)/decrease in trade receivables	1.18
- (Increase)/decrease in loans	(1.04)
- (Increase)/decrease in other financial assets	-
- (Increase)/decrease in other assets	(27.86)
- Increase/(decrease) in employee benefit obligations	3.89
- Increase/(decrease) in trade payables	(8.55)
- Increase/(decrease) in other financial liabilities	2.64
- Increase/(decrease) in other current liabilities	(2.84)
Cash generated from/(used in) operations	**305.37**
Income tax paid	**(61.89)**
Net cash flows generated from/(used in) operating activities (A)	**243.48**
Cash flow from Investing activities	
Payment for property, plant and equipment and capital work-in-progress	(157.98)
Proceeds from sale/disposal of property, plant and equipment	5.17
Redemption/(Investment) in fixed deposits (Net)	(4.90)
Interest Income received	5.09
Acquisition of interest in subsidiary	(55.80)
Net cash flow generated from/(used in) investing activities (B)	**(208.42)**
Cash flow from Financing activities	
Payment of Dividend (including Dividend Distribution Tax)	(53.30)
Repayment of Long term Borrowings	(215.65)
Proceeds from Long term Borrowings	160.89
Proceeds from/ (repayment of) short-term borrowings	124.62
Interest Cost paid	(23.24)
Net cash flow generated from/(used in) financing activities (C)	**(6.68)**
Net increase in cash and cash equivalents (A+B+C)	**28.38**
Cash and cash equivalents at the beginning of the year	26.67
Cash and cash equivalents at the end of the year	**55.05**
Cash and cash equivalents comprise of the following:	
Balances with banks	53.89
Cash on hand	1.16
Total cash and cash equivalents at end of the year	**55.05**

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

As per our report of even date.

For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

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Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Consolidated Statement of changes in equity
for the year ended March 31, 2020

(Amount in INR millions, unless otherwise stated)

(A) Equity share capital

Particulars	No. of Shares	Amount
Equity shares of ₹ 2/- each issued, subscribed and fully paid		
Balance as at April 1, 2019	22,107,810	44.22
Add/Less: Changes in equity share capital	-	-
Balance as at March 31, 2020	22,107,810	44.22

(B) Other equity

Particulars	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as of April 1, 2019	773.73	86.40	826.74	(15.57)	1,671.30
Add: Profit for the year	-	-	68.45	-	68.45
Less: Dividend on Equity Shares	-	-	44.22	-	44.22
Less: Tax on Dividend	-	-	9.09	-	9.09
Add: Other comprehensive income/(loss) for the year	-	-	-	(1.89)	(1.89)
Balance as of March 31, 2020	773.73	86.40	841.88	(17.46)	1,684.55

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

As per our report of even date.
For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
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DIN : 00242288

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Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Notes
forming part of the consolidated financial statements

1 **General Information**

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

The consolidated financial statements are approved for issue by the Board of Directors at its meeting held on 15th June 2020.

2 **Significant accounting policies**

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Ind AS

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

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

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

(b) Principles of consolidation

Subsidiary

Subsidiary is entity (including structured entity) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

Basis of Consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Interest in the subsidiary

Emtac Laboratories Private Limited ("subsidiary") is as a wholly owned subsidiary of the Company w.e.f. March 04, 2020.

(c) Basis of measurement

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

i) Certain financial assets and liabilities measured either at fair value or amortised cost depending on the classification;

ii) Defined employee benefit liabilities are recognised at the present value of defined benefit obligation adjusted for fair value of plan assets;

(d) Current and non-current classification

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

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

(e) Use of estimates

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

(f) Fair value measurement

The Group's accounting policies and disclosures require the measurement of fair values, for certain financial and non-financial assets and liabilities based on their classification.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

When measuring the fair value of an asset or a liability, the 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 categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

2.2 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives

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

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

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

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

Assets held for sale

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

2.3 Intangible Assets

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

2.4 Impairment of non-financial assets

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

2.5 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Equity instruments measured at FVTOCI

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

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

De-recognition

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance

b) Trade Receivables that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

(b) Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

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

De-recognition

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

Offsetting of financial instruments

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

2.6 Taxes

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

(a) Current tax

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

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

(b) Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. The Group reviews such assets at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period. MAT paid in a year is charged to the statement of Profit and Loss as current tax.

(d) Dividend distribution tax (DDT)

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

2.7 Inventories

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

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

2.8 Provisions and contingent liabilities

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

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

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

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

2.9 Revenue Recognition

Rendering of services

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

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

Revenue from providing services is recognised in the accounting period in which such services are rendered.

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

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

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

Export incentives

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

Interest

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

2.10 Government grants

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

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

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

2.11 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.12 Retirement and other Employee Benefits

(a) Short-term obligations

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

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

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

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

(ii) Defined benefit plans

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

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

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

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

2.13 Leases (as a lessee)

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.14 Borrowing Costs

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

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

2.15 Earnings Per Share

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

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

2.16 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.17 Cash Flows

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

2.18 Segment Reporting

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

2.19 Cash and cash equivalents

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

2.20 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3 Significant accounting judgments, estimates and assumptions

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

3.A Estimates and assumptions

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

(a) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(b) Deferred Taxes

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

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

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

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

(d) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(e) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Impairment of non-financial assets

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

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

(g) Research and Developments Costs

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

(h) Property, Plant and Equipment

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

(i) Current income taxes

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

(j) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due across all segments. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3.B New and amended IND Accounting Standards are effective from current year

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and AppendixB of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

The adoption of the new standard did not have any impact on the consolidated financial statements of the Group.

(b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example;

(a) how it prepares its income tax filings and supports tax treatments; or

(b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

(c) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the consolidated financial statements of the Group.

(d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occursduring the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

(e) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group is in compliance with the said amendment.

4 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.There are no standards that are issued but not yet effective on March 31, 2020.

(Amount in INR millions, unless otherwise stated)

5 Property Plant and Equipment

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at 1 April 2019	Additions/ Adjustments	Deletions/ Disposals	As at 31 March 2020	As at 1 April 2019	Depreciation for the period	Deletions / Adjustments	As at 31 March 2020	As at 31 March 2020
Tangible Assets									
Land	21.88	-	-	21.88	-	-	-	-	21.88
Buildings	565.27	10.17	-	575.44	37.37	12.49	-	49.86	525.58
Furniture & Fixtures	108.02	6.15	-	114.17	37.19	13.35	-	50.54	63.63
Plant & Equipment	970.50	81.54	1.50	1,050.54	306.15	155.43	(0.08)	461.66	588.88
Electrical Installation	30.85	1.45	-	32.30	21.91	3.59	(1.86)	27.36	4.94
Office Equipment	17.78	1.01	-	18.79	10.16	3.11	-	13.27	5.52
Computers	53.37	85.79	-	139.16	26.71	16.87	(0.08)	43.66	95.50
Vehicles	29.08	3.46	-	32.54	10.04	4.49	(0.02)	14.55	17.99
Total	**1,796.75**	**189.57**	**1.50**	**1,984.82**	**449.53**	**209.33**	**(2.04)**	**660.90**	**1,323.92**

Note:

(i) Refer Note No. 16 of the consolidated financial statements for disclosures relating to property, plant and equipment pledged as security by the Company.

(ii) Refer Note No. 34 of the consolidated financial statements for disclosures relating to contractual commitments for acquisition of property, plant and equipment.

(iii) Adjustments to Gross Carring Value and Accumulated Depreciation as at March 31, 2020 include amounts relating to wholly owned subsidiary (Emtac Laboratories Private Limited) of ₹ 15.78 and 2.71 respectively

(Amount in INR millions, unless otherwise stated)

6 Capital work-in-progress

Particulars	As at 31 March 2020
Opening balance	41.82
Add: Additions during the year	33.15
Less: Capitalised during the year	56.77
TOTAL	**18.20**

7. Loans

Particulars	As at 31 March 2020
(A) Non-current	
Loans - considered good, unsecured	
Security deposit - Others	19.82
TOTAL	**19.82**
(B) Current	
Loans - considered good, unsecured	
Secured deposits - Others	12.48
Other Loans - Employees	1.66
TOTAL	**14.14**

Note: Loans due from related parties as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil)

8 Deferred tax Assets/liabilities (Net)

Particulars	As at 31 March 2020
(A) Deferred tax liability on account of	
- property, plant and equipment	36.81
(B) Deferred tax asset on account of	
- Gratuity	10.23
- Compensated absences	17.18
- Bonus	5.78
- Impairment loss recognized under expected credit loss (ECL) model	8.02
	41.21
Total Deferred Tax Assets/(Liabilities) (Net) [A-B]	**4.40**

(Amount in INR millions, unless otherwise stated)

Movement in the deferred tax liabilities/(assets):

Particulars	Employee benefit expenses	Property, plant and equipment	Impairment loss recognized under ECL model	Total
Opening balance as of April 1, 2019	**(33.04)**	**52.45**	**(8.38)**	**11.03**
Charged/(credited)				
- to profit	0.49	(16.30)	0.36	(15.45)
- to OCI	(0.64)	-	-	(0.64)
- to Others	-	0.66		0.66
Closing balance as at March 31, 2020	**(33.19)**	**36.81**	**(8.02)**	**(4.40)**

9 Other Assets

Particulars	As at 31 March 2020
(A) Other Non-Current assets (Unsecured, considered good)	
Income tax assets (Net)	76.19
TOTAL	**76.19**
(B) Other Current Assets (Unsecured, Considered good)	
Prepaid expenses	34.36
Advances for services and supplies	21.66
Balance with government authorities	8.02
Export incentives	56.75
Other advances	6.41
TOTAL	**127.20**

Note: Other Assets due from related parties as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil)

10 Inventories

Particulars	As at 31 March 2020
Valued at the lower of cost and net realisable value	
Chemicals and consumables	127.09
Stores and spares	9.56
Work-in-progress	34.65
TOTAL	**171.30**

Note:

(i) Refer Note No. 16 of the consolidated financial statements for disclosures relating to assets pledged as security by the Company.

(Amount in INR millions, unless otherwise stated)

11 Trade Receivables

Particulars	As at 31 March 2020
Trade receivables - considered good	578.45
Trade receivables - considered doubtful	31.86
Gross Trade receivables	610.31
Less : Impairment loss on receivables	31.86
TOTAL	**578.45**

Note:

(i) Neither trade nor other receivables are due from directors or other officers of the company either severally or jointly with any other person, Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Refer Note 32 of the consolidated financial statements for information about credit risk and market risk of trade receivables.

(iii) Refer Note No. 16 of the consolidated financial statements for disclosures relating to assets pledged as security by the Company.

12 Cash and Bank Balances

Particulars	As at 31 March 2020
(A) Cash and Cash equivalents:	
(i) Balance with Banks	
- Current Accounts	22.01
- EEFC Accounts	31.88
(ii) Cash on hand	1.16
TOTAL	**55.05**
(B) Bank balances other than (A) (i) above	
Deposits held as security for bank guarantees and others	9.32
Unclaimed Dividend accounts	2.37
TOTAL	**11.69**

Note :

(i) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period

(ii) Unclaimed Dividends are transferred to Investor Education and Protection Fund after seven years from due date in accordance with applicable provisions of the Act.

13 Other Financial Assets

Particulars	As at 31 March 2020
Current - Unsecured, considered good	
Interest accrued on deposits	0.78
TOTAL	**0.78**

Note: Other Financial Assets due from related parties as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil)

(Amount in INR millions, unless otherwise stated)

14 Equity Share Capital

Particulars	As at 31 March 2020	
	No. of Shares	Amount
Authorized		
Equity Shares of ₹ 2/- each	**35,000,000**	**70.00**
Issued, subscribed and fully paid-up		
Equity Shares of ₹ 2/- each	**22,107,810**	**44.22**

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

Particulars	As at 31 March 2020	
	No. of Shares	Amount
Outstanding at the beginning of the year	22,107,810	44.22
Add: Issued during the year		
Outstanding at the end of the year	**22,107,810**	**44.22**

(b) Rights, preferences and restrictions attached to shares

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

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

The Board of Directors of the company have recommended a dividend of ₹ Nil per equity share of ₹ 2/- each for the financial year 2019-20 subject to approval of the shareholders at the ensuing Annual General Meeting.

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

Particulars	As at 31 March 2020	
	No. of Shares	% of Holding
Eurofins Analytical Services India Pvt. Ltd.	4,403,668	19.92
Sivalinga Prasad Vasireddi	3,598,525	16.28
LCGC Chromatography Solutions Pvt. Ltd.	2,083,175	9.42
Vangal Harriman	1,777,893	8.04
Vasireddi Veerabhadra Prasad	1,463,515	6.62

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

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

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(Amount in INR millions, unless otherwise stated)

15 Other equity

Particulars	As at 31 March 2020
Security Premium	
Balance at the beginning and end of the period	**773.73**
General Reserve	
Balance at the beginning and end of the period	**86.40**
Retained Earnings	
Balance at the beginning of the period	826.74
Add: Profit for the period	68.45
Less: Dividend on Equity Shares	44.22
Less: Tax on Dividend	9.09
Balance at the closing of the period	**841.88**
Other Comprehensive Income	
Balance at the beginning of the period	(15.57)
Add: Other comprehensive income/(loss) for the period	(1.89)
Balance at the closing of the period	**(17.46)**
TOTAL	**1,684.55**

Nature and purpose of reserves:

Security premium:

This is the premium received on issue of equity shares and will be utilised as per the applicable provisions of the Act.

General reserves:

This is the amount transferred from retained earnings and will be utilised as per the applicable provisions of the Act.

Retained earnings:

This comprises of net accumulated profit of the Company after declaration of dividend.

Other comprehensive income:

This comprises of actuarial gain/(loss) [net of taxes] at the end of the reporting period.

(Amount in INR millions, unless otherwise stated)

16 Borrowings

Particulars	As at 31 March 2020
(A) Non-current Borrowings	
Secured	
Loans from Banks	
- Rupee term loan	48.00
- Foreign currency term loan	63.85
Loans from Financial Institution	
- Rupee term loan	23.60
	135.45
Unsecured	
- Loan from Financial Institutions	12.19
- Loans from Others	7.89
	155.53
Less: current maturities [Refer Note 20]	101.69
T O T A L	**53.84**
(B) Current Borrowings	
Secured, repayable on demand	
- Working capital loans from banks	177.04
T O T A L	**177.04**

Note:

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

1. The rupee term loan from Kotak Mahindra Bank amounting to ₹ 48.00 Million as at March 31, 2020 (sanctioned limit of ₹ 54.00 Million in FY 2019-20) is secured by way of first charge to bank on assets created out of Term Loan. This loan is also secured by Second Charge on Current Assets (Both Present and Future) of the company at paripasu basis with Axis bank ltd.
2. The above mentioned rupee term loan carries an interest at the rate of 0.80% above MCLR 1 Year rate and is repayable in 9 equal quarterly instalments commencing from February 2020 (as per sanction letter).
3. First paripassu charge along with Axis bank on Industrial land and building situated at Plot No 141/2 and 142, IDA, Phase -II, Cherlapally, Hyderabad- 500051 as collateral security.

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

1. The foreign currency term loan from Axis bank amounting to ₹ 63.85 Million (equivalent to USD 0.847 Million) as at March 31, 2020 (sanctioned limit of ₹ 75.3 Million in FY 2019-20) is secured by way of first charge to bank on assets created out of Term Loan.
2. The above mentioned foreign currency term loan carries interest at 2.5% over six months LIBOR plus 0.50% mark up fee over six months LIBOR and repayable in 5 equal quarterly instalments commencing from March 2020 (as per sanction letter).
3. First paripassu charge along with Kotak Mahindra bank on Industrial land and building situated at Plot No 141/2 and 142, IDA, Phase -II, Cherlapally, Hyderabad- 500051 as collateral security.

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

1. i) The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 11.14 Million as at March 31, 2020 (sanctioned limit of ₹ 24.40 Million in FY 2018-19) is secured by way of exclusive charge on assets acquired from such loan by way of hypothecation.

(Amount in INR millions, unless otherwise stated)

ii) The above-mentioned rupee term loan carries an interest at the rate of 5.00% as at March 31, 2020 (March 31, 2019 is 5%) and is repayable in 12 quarterly instalments commencing from March 2019.

2. i) The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 12.46 Million as at March 31, 2020 (sanctioned limit of ₹ 19.24 Million in FY 2019-20) is secured by way of exclusive charge on assets acquired from such loan by way of hypothecation.

ii) The above-mentioned rupee term loan carries an interest at the rate of 5.00% as at March 31, 2020 and is repayable in 12 quarterly instalments commencing from October 2019

(d) Terms and conditions of unsecured loans

1. The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 5.43 Million as at March 31, 2020 (sanctioned limit of ₹ 8.67 Million in FY 2019-20) carries at Nil interest and is repayable in 20 quarterly instalments commencing from September 2019.
2. The rupee term loan from Cisco Systems Capital India Private Limited amounting to ₹ 6.78 Million as at March 31, 2020 (sanctioned limit of ₹ 9.69 Million in FY 2019-20) carries at Nil interest and is repayable in 20 quarterly instalments commencing from January 2020.

(e) Maturity profile of long-term borrowings:

31 March 2020

Particulars	Within 1 year	1 - 2 years	2 - 5 years	Total
Rupee term loan from bank	24.00	24.00	-	48.00
Foreign currency term loan from bank	63.85	-	-	63.85
Loan from Financial Institutions	13.84	12.59	9.36	35.79
Loans from Others	-	7.89	-	7.89
TOTAL	**101.69**	**44.48**	**9.36**	**155.53**

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

1. The working capital facility from Axis bank carries an interest of 0.80% above 3 Months MCLR rate and is secured by way of first paripassu charge on entire current assets of the company(both present and future) along with Kotak Mahindra bank ltd.
2. The working capital facility from Kotak Mahindra bank carries an interest of 0.35% above MCLR 6 Months rate and is secured by way of first paripassu charge on entire current assets of the company(both present and future) along with Axis bank ltd.
3. First paripassu charge to Axis Bank and Kotak Mahindra bank on Industrial land and building situated at Plot No 141/2 and 142, IDA, Phase -II, Cherlapally, Hyderabad- 500051 as collateral security.

17 Provisions

Particulars	**As at 31 March 2020**
(A) Non-current	
Provision for employee benefits	
- Gratuity, funded	54.07
- Compensated absences	31.74
TOTAL	**85.81**
(B) Current	
Provision for employee benefits	
- Gratuity, funded	14.20
- Compensated absences	8.89
TOTAL	**23.09**

(Amount in INR millions, unless otherwise stated)

18 Other non-current liabilities

Particulars	As at 31 March 2020
Deferred grant income related to Property, Plant & Equipment	10.76
Deferred grant income related to revenue (Refer note given below)	2.13
TOTAL	**12.89**

Note: The holding company was granted an in-principal approval of a grant-in-aid of ₹ 7.1 million during FY 2017-18 by the biotechnology industry research assistance council for project entitled towards preclinical evaluation of clinical grade vaccine. However, the balance grant ₹ 4.97 million is yet to be received by the holding company as on March 31, 2020.

19 Trade payables

Particulars	As at 31 March 2020
Outstanding dues of micro enterprises and small enterprises	14.63
Outstanding dues of creditors other than micro enterprises and small enterprises	90.37
TOTAL	**105.00**

Note:

(i) Detailed disclosure relating to supplier registered under MSMED Act are given in Note No. 40 of the consolidated financial statements

20 Other current financial liabilities

Particulars	As at 31 March 2020
Current maturities of long-term borrowings	101.69
Interest accrued	0.54
Unclaimed dividends	2.37
Creditors for capital expenditure	25.35
Others - Dues for revenue expenses	87.41
TOTAL	**217.36**

Note: Unclaimed dividends do not include any amount due and outstanding to be credited to investor education and protection fund.

21 Other Current Liabilities

Particulars	As at 31 March 2020
Deferred grant income related to Property, Plant & Equipment	3.35
Advances from customers	34.85
Others - Statutory Dues	14.94
TOTAL	**53.14**

(Amount in INR millions, unless otherwise stated)

22 Revenue from Operations

Particulars	Year ended 31 March 2020
Sale of services - Testing and Analysis	1,784.14
Other operating revenue - Export Incentives	22.98
T O T A L	**1,807.12**

23 Other Income

Particulars	Year ended 31 March 2020
i) Interest income on:	
- Bank deposits	0.64
- Deposits with State Electricity Corporations	0.80
- Interest Income on fair value measurement	0.32
- Income tax refunds	3.07
- Employees loans	0.20
ii) Others	
- Liabilities no longer required written back	3.40
- Grant income	4.35
- Gain on foreign currency transactions and translations (net)	14.43
- Miscellaneous receipts	1.34
- Profit on Sale of Property, Plant and Equipment	1.63
T O T A L	**30.18**

24 Cost of material consumed and testing expenditure

Particulars	Year ended 31 March 2020
(a) Cost of materials consumed	
Inventory at the beginning of the year	152.15
Add : Purchases	308.59
Less : Inventory at the end of the year	136.65
S U B - T O T A L (A)	**324.09**
(b) Testing expenditure	
Sample preparation, data generation, inspection & testing expenditure	99.05
Carriage Inwards	2.84
Power and fuel	102.14
Water Charges	5.73
S U B - T O T A L (B)	**209.76**
T O T A L (A) + (B)	**533.85**

(Amount in INR millions, unless otherwise stated)

25 Changes in inventories of Work-in Progress

Particulars	Year ended 31 March 2020
Opening Work-in-Progress	38.25
Less : Closing Work-in-Progress	34.65
Decrease/(Increase) in Work-in-Progress	**3.60**

26 Employee benefits expense

Particulars	Year ended 31 March 2020
Salaries and wages	503.95
Directors remuneration	38.43
Contribution to provident and other funds	29.76
Gratuity	11.52
Compensated absences	12.67
Staff welfare expenses	18.41
TOTAL	**614.74**

27 Finance costs

Particulars	Year ended 31 March 2020
Interest on term loans	12.78
Interest on working capital loans	10.25
Interest expense on fair value measurement	0.36
Interest on Income Tax	1.11
Bank charges	5.69
Exchange differences regarded as an adjustment to borrowing cost	7.46
TOTAL	**37.65**

(Amount in INR millions, unless otherwise stated)

28 Other expenses

Particulars	Year ended 31 March 2020
Sitting fees to directors	0.48
Rent	21.22
Rates, taxes, duties and levies	26.84
Insurance	6.40
Repairs and maintenance :	
- Plant and Machinery	81.09
- Buildings	13.32
- Vehicles	5.06
Advertisement and sales promotion	5.99
Commission	1.40
Travelling and conveyance	63.10
Communication expenses	21.60
Printing and Stationery	2.86
Books and periodical	0.12
Professional and consultancy services	60.26
Membership and subscriptions	1.19
House Keeping and premises maintenance	11.46
Security charges	7.14
Recruitment and training expenses	0.89
Payments to auditors :	
- for statutory audit	1.30
- for tax audit	0.15
- for other services	0.46
- for reimbursement of expenses	0.07
Software charges	1.30
Bad debts written off	10.83
Impairment loss on receivables	3.10
Corporate Social Responsibility expenses	5.02
Miscellaneous expenses	2.78
TOTAL	**355.43**

(Amount in INR millions, unless otherwise stated)

29 Tax Expense

Particulars	For the Year Ended 31 March 2020
(A) Tax expense charged to Statement of Profit and Loss	
Current tax (I)	
Current tax expense for current year	33.61
Current tax expense pertaining to prior years	(3.91)
	29.70
Deferred tax (II)	
Deferred tax expense for current year	(15.45)
	(15.45)
Total tax expense recognised in current year (I + II)	**14.25**
(B) Tax expense charged to Other Comprehensive Income	**0.64**
(C) Reconciliation of tax expense	
Profit before tax	82.70
Tax expense at applicable tax rates March 31, 2020: 25.17% (March 31, 2019: 29.12%;)	20.82
Tax effect of adjustments to reconcile expected tax expense to reported tax expense:	
- adjustment for previous years	(3.91)
- items not deductible for tax	(1.51)
- due to adoption of new tax rate	(1.50)
- Others	0.35
Tax expense reported in Statement of Profit and Loss	**14.25**

(Amount in INR millions, unless otherwise stated)

30 Earnings per share

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

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

Particulars	For the year ended 31 March 2020
Profit attributable to equity holders (in INR Million)	68.45
Profit attributable to equity holders adjusted for the effect of dilution (in INR Million)	68.45
Weighted average number of equity shares for basic EPS (in No's)	22,107,810
Weighted average number of equity shares adjusted for the effect of dilution (in No's)	22,107,810
Nominal/Face Value per share (INR)	2.00
Basic Earnings per share (INR)	3.10
Diluted Earnings per share (INR)	3.10

31 Fair value measurements

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

Particulars	Note No.	As at 31 March 2020
Financial Assets		
Loans (current and non-current)	7A & 7B	33.96
Trade receivables (net)	11	578.45
Cash and cash equivalents	12A	55.05
Bank balances other than Cash and cash equivalents	12B	11.69
Other financial assets	13	0.78
		679.93
Financial Liabilities		
Borrowings (current and non-current)	16A & 16B	230.88
Trade Payables	19	105.00
Other financial liabilities	20	217.36
		553.24

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. The difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value. For financial assets measured at fair values, the carrying amounts are equal to the fair values.

(Amount in INR millions, unless otherwise stated)

32 Financial risk management objectives and policies

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

(i) Market Risk

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

a) Foreign Currency risk

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

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

Particulars	As at 31 March 2020	
	Foreign Currency	Amounts in INR
United States Dollar		
Assets - Trade Receivables	2.23	168.36
Assets - Vendor Advances	0.01	0.91
Liabilities - Trade Payables	(0.24)	(17.92)
Liabilities - Borrowings	(0.85)	(63.85)
Liabilities - Customer Advances	(0.07)	(5.03)
Euro		
Assets - Trade Receivables	0.04	3.00
Liabilities - Customer Advances	(0.00)	(0.08)
Assets - Vendor Advances	0.06	4.63
Liabilities - Trade Payables	(0.00)	(0.39)
Great Britain Pound		
Assets - Trade Receivables	0.03	2.45
Liabilities - Trade Payables	(0.00)	(0.26)
Malaysian Ringgit		
Assets - Trade Receivables	0.93	16.30
Swiss Franc		
Assets - Vendor Advances	0.09	6.69

(Amount in INR millions, unless otherwise stated)

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

Particulars	Year End Spot Rate As at 31 March 2020
United States Dollar	75.3859
Euro	83.0496
Great Britain Pound	93.0760
Malaysian Ringgit	17.4570
Swiss Franc	78.3431

Foreign currency sensitivity

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

31 March 2020

Particulars	Impact on Profit		Impact on Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
5% Sensitivity* of:				
United States Dollar	4.12	(4.12)	3.09	(3.09)
Euro	0.36	(0.36)	0.27	(0.27)
Great Britain Pound	0.11	(0.11)	0.08	(0.08)
Malaysian Ringgit	0.82	(0.82)	0.61	(0.61)
Swiss Franc	0.33	(0.33)	0.25	(0.25)

* Holding all other variables constant

b) Interest rate risk

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

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

Particulars	As at 31 March 2020
Fixed rate instruments	
Financial assets	45.65
Financial liabilities	43.68
Variable rate instruments	
Financial liabilities	288.89

(Amount in INR millions, unless otherwise stated)

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

Particulars	As at 31 March 2020
Interest rates increase by 100 basis points *	2.89
Interest rates decrease by 100 basis points *	(2.89)

* Holding all other variables constant

c) Price risk

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

ii) 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over the last 12 quarters before the reporting date and the corresponding historical credit losses experienced at the end of each quarter. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit loss assessment from customers as at March 31, 2020 are as follows:

31 March 2020

Particulars	Gross carrying amount	Expected credit losses	Carrying amount of trade receivables
Upto 180 days	467.69	(3.79)	463.90
Over 180 days	142.62	(28.07)	114.55
Total	**610.31**	**(31.86)**	**578.45**

Collateral held as security and other credit enhancements

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

Financial assets that are neither past due nor impaired

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

Financial assets that are neither past due but not impaired

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

Period in days	As at 31 March 2020
Upto 180 days	463.90
Over 180 days	114.55
	578.45

(Amount in INR millions, unless otherwise stated)

iii) Liquidity risk

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

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

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

Particulars	As at 31 March 2020
Current assets	958.61
Current liabilities	575.63
Working capital	**382.98**

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

Particulars	As at 31 March 2020
Less than 1 year	
- Borrowings	278.73
- Trade payables	105.00
- Other financial liabilities	115.67
1 to 2 years	
- Borrowings	44.48
2 to 5 years	
- Borrowings	9.36

iv) Excessive risk concentration

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

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

33 Contingent liabilities

Particulars	As at 31 March 2020
A. Claims against the Group not acknowledged as debts in respect of:	
Employees provident fund demand not provided for (pending before the Employees' Provident Funds Appellate Tribunal)	8.70
	8.70
	19.52

B. Bank Guarantees

Note: (a) Based on the Supreme Court Judgment dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. On the basis of legal advice, the management has determined that there is no impact of the aforesaid ruling on the consolidated financial statements of the Company.

(b) Bank Guarantees are issued to meet certain business obligations towards government agencies and certain customers.

(Amount in INR millions, unless otherwise stated)

34 Commitments

Particulars	As at 31 March 2020
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	76.91

35 Leases

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

Particulars	For the year ended 31 March 2020
Total rental expense relating to operating lease	21.22
- Non-cancellable	-
- Cancellable	21.22

36 Research and development expenditure

Particulars	For the year ended 31 March 2020
Aggregate amount of research and development expenditure recognised as an expense during the year	
Employee benefits expenses	5.50
Materials and stores and spares consumption	2.40
Other expenses	1.10
	9.00

37 Corporate social responsibility expenditure (CSR)

Particulars	For the year ended 31 March 2020
Gross amount required to be spent during the year	5.02
Add: Unspent Amount brought forward from previous year	-
Less: Actual amount spent during the year	5.02
Balance amount to be spent in future years	-

38 Related Party Disclosures

(A) Names of related parties and nature of relationship

Name of the Related Parties		Nature of Relationship
(i)	**Key Management Personnel (KMP)**	
	Dr. S P Vasireddi	Chairman & Non-Executive Director
	Harita Vasireddi	Managing Director
	Harriman Vungal	Executive Director (ED) - Operations
	Satya Sreenivas Neerukonda	Executive Director (w.e.f. 14th July 2019)
	V V Prasad	Executive Director (ED) - Admn. (up to 14th July 2019)
	T S Ajai	Independent Director (up to 16th May 2019)
	Rao Purnachandra Potarlanka	Independent Director (up to 16th May 2019)
	Y Prameela Rani	Independent Director
	Amit Pathak	Chief Financial Officer
	Sujani Vasireddi	Company Secretary
	Popuri Adheyya Chowdary	Independent Director (w.e.f 11th May 2019)
	Sanjay Dave	Independent Director (w.e.f 11th May 2019)
	G Purnachandra Rao	Independent Director (w.e.f 11th May 2019)
(ii)	**Relatives of Key Management Personnel (KMP)**	
	Sireesh Chandra Vungal	Son of ED - Operations
	Sudheshna Vungal	Daughter of ED - Operations
	Praveena Vasireddi	Daughter of Chairman
	Satya Sreenivas Neerukonda	Son-in-law of ED - Admin
	Rajeswari Vungal	Wife of ED - Operations
	Rajya Lakshmi Vasireddi	Wife of ED - Admin
	Swarnalatha Vasireddi	Wife of Chairman
(iii)	**Companies in which some of the Directors or other relatives are interested**	
	Bloomedha Info Solutions Limited	
	Covide Business Integrated Private Limited	

(Amount in INR millions, unless otherwise stated)

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

Particulars	For the year ended 31 March 2020
(i) Remuneration to Key Management Personnel (KMP) *	
Harita Vasireddi	13.44
Harriman Vungal	13.44
Satya Sreenivas Neerukonda	7.69
V V Prasad	15.40
Amit Pathak	3.94
Sujani Vasireddi	2.30
* Remuneration is inclusive of provident fund, gratuity and leave encashment	
(ii) Rent paid to Key Management Personnel (KMP)	
Harriman Vungal	0.18
(iii) Remuneration to relatives of Key Management Personnel (KMP)	
Sireesh Chandra Vungal	5.97
Sudheshna Vungal	1.89
Satya Sreenivas Neerukonda (upto 13.07.2019)	1.70
Praveena Vasireddi	1.75
(iv) Sitting Fees to KMP - Independent Directors	
Y Prameela Rani	0.15
Popuri Adheyya Chowdary	0.11
Sanjay Dave	0.10
G Purnachandra Rao	0.13
(v) Dividends Paid	
Dr. S P Vasireddi	7.20
Harita Vasireddi	0.34
Harriman Vungal	3.55
V V Prasad	2.93
Sireesh Chandra Vungal	0.22
Sudheshna Vungal	0.20
Praveena Vasireddi	0.25
Sujani Vasireddi	0.25
Rajeswari Vungal	0.16
Rajya Lakshmi Vasireddi	0.08
Swarnalatha Vasireddi	0.19
(vi) Services received	
Bloomedha Info Solutions Limited	0.58

(Amount in INR millions, unless otherwise stated)

(C) Balances payable/(receivable)

Particulars	As at 31 March 2020
(i) Dues Payable to KMPs and their relatives:	
Harita Vasireddi	8.75
Harriman Vungal	1.41
V V Prasad	0.46
Sujani Vasireddi	0.03
Amit Pathak	0.28
Sudheshna Vungal	0.12
Satya Sreenivas Neerukonda	1.55
Praveena Vasireddi	2.51
Sireesh Chandra Vungal	0.10
(ii) Others	
Bloomedha Info Solutions Limited	0.01
Covide Business Integrated Private Limited	(0.10)

39 Employee benefits

(A) Defined Contribution Plans

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

Particulars	For the year ended 31 March 2020
Employers' Contribution to Provident Fund	32.02
Employers' Contribution to Employee State Insurance	3.16

(B) Defined benefit plans

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

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

Particulars	For the year ended 31 March 2020
Current service cost	7.17
Past service cost	-
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	4.35
Total amount recognized in the Statement Profit and Loss	**11.52**

(Amount in INR millions, unless otherwise stated)

Amounts recognised in Other Comprehensive Income are as follows:

Particulars	For the year ended 31 March 2020
Actuarial losses	
- change in demographic assumptions	(0.01)
- change in financial assumptions	3.58
- experience variance (i.e. Actual experience vs assumptions)	(1.56)
Return on plan assets, excluding amount recognised in net interest expense	0.51
Total amount recognised in the other comprehensive income	**2.52**

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

Particulars	As at 31 March 2020
Present value of obligation at the beginning of the year	65.36
Current service cost	7.17
Interest Expense or Cost	4.57
Re-measurement (or Actuarial) (gain) / loss arising from:	
- change in demographic assumptions	(0.01)
- change in financial assumptions	3.58
- experience variance (i.e. actual experience v/s assumptions)	(1.56)
Past service cost	-
Benefits paid	(10.63)
Present value of obligation at the end of the year	**68.48**

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

Particulars	As at 31 March 2020
Fair Value of Plan Assets as at the beginning of the year	3.14
Investment Income	0.22
Employer's Contribution	7.99
Benefits Paid	(10.63)
Return on plan assets , excluding amount recognised in net interest expense	(0.51)
Fair Value of Plan Assets as at the end of the year	**0.21**

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

Particulars	As at 31 March 2020
Present value of defined benefit obligation	(68.48)
Fair value of plan assets	0.21
Net Asset/(Liability)	**(68.27)**

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

Particulars	As at 31 March 2020
Discount rate (per annum)	5.55%
Salary growth rate (per annum)	4.00%
Mortality rate (% of IALM 12-14)	100.00%
Normal retirement age (as per Group's policy)	60 and 70
Attrition / Withdrawal rate (per annum)	20%

(Amount in INR millions, unless otherwise stated)

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

Impact on defined benefit obligation

Particulars	As at 31 March 2020
Discount Rate	
1% increase	65.88
1% decrease	71.28
Salary Growth Rate	
1% increase	71.12
1% decrease	65.97
Attrition Rate	
50% increase	68.44
50% decrease	67.18
Mortality Rate	
10% increase	68.48
10% decrease	68.47

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

Risk exposure

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

(a) Asset volatility: The plan liabilities are calculated using a discount rate set with reference to current investment patterns in the economy; if plan assets underperform this yield, this will create a deficit. The plan asset investments are subject to interest rate risk. The Group has a risk management strategy where the aggregate amount of risk exposure is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the investments. The Group intends to maintain the investment pattern in the continuing years.

(b) Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(c) Life expectancy: The defined benefit obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit liability and employer contributions

The following contributions and expected undiscounted future benefit payments:

Particulars	As at 31 March 2020
0 - 1 Year	14.41
2 - 5 Years	43.80
6 - 10 Years	19.70
More than 10 Years	9.57

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (31 March 2018: 3 years).

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

(Amount in INR millions, unless otherwise stated)

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

Particulars	As at 31 March 2020
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	
Principal	14.63
Interest	-
Total	**14.63**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-

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

41 Segment Reporting

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

42 Capital management

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

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

Particulars		As at 31 March 2020
Equity Share Capital		44.22
Other Equity		1,684.55
Total Equity	(i)	**1,728.77**
Long-term borrowings		53.84
Short-term borrowings		177.04
Other financial liabilities (current maturities of long-term borrowings)		101.69
Less: Cash and Cash equivalents		55.05
Total Debt	(ii)	**277.52**
Overall financing	(iii) = (i) + (ii)	2,006.29
Gearing ratio	(ii)/ (iii)	13.83%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. Further there were no changes were made in the objectives, policies or processes for managing capital for the years ended March 31, 2020.

43 Estimation of uncertainty relating to COVID-19 global health pandemic

In assessing the recoverability of loans, receivables and investments of the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these consolidated financial statements.

The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Group will continue to monitor any changes to the future economic conditions.

44 Since this is the first year of preparing consolidated financial statements, there are no comparative consolidated figures of corresponding previous year.

As per our report of even date.
For Gattamaneni & Co
Chartered Accountants
Firm Registration No. 009303S

G. Srinivasa Rao
Partner
Membership No. 210535

Place: Hyderabad
Date : June 15, 2020

For and on behalf of the Board of Vimta Labs Limited

Dr. S. P. Vasireddi
Non-Executive Chairman
DIN : 00242288

Harita Vasireddi
Managing Director
DIN: 00242512

Harriman Vungal
ED-Operations
DIN : 00242621

G. Purnachandra Rao
Director
DIN : 00876934

Amit Pathak
Chief Financial Officer

Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date : June 15, 2020

Driven by Quality. Inspired by Science.

Vimta Labs Limited

CIN : L24110TG1990PLC011977

Registered Office: Plot Nos. 141/2 & 142, IDA

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