



**Vivimed**

Date: 13.02.2023

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

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

Dear Sir,

**Sub: Notice of 33<sup>rd</sup> Annual General Meeting (AGM), Annual Report for the financial year 2020-21 and Book Closure for AGM.**

This is to inform you that the 33<sup>rd</sup> Annual General Meeting (AGM) of the Company will be held on Friday, February 17, 2023 at 12.30 p.m. at Plot No.78-A, Kolhar Industrial Area, Bidar-585403, Karnataka.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of Annual Report for the financial year 2020-21 along with notice of the AGM for your information and records which is being dispatched to the shareholders of the Company.

We also hereby inform you that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer books of the Company will be closed from Monday, of February 13, 2023 to Friday, of February 17, 2023 (both days inclusive) for the purpose of AGM.

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

Date and time of commencement of remote e-voting	Tuesday, February 14, 2023 at 09.00 a.m.
Date and time of end of remote e-voting	Thursday, February 16, 2023 at 05.00 p.m.
Cut-off date for determining the eligibility to vote by electronic means or in the AGM	Saturday, February 11, 2023

Please take the information on record.

Thanking you,

Yours faithfully,  
**For Vivimed Labs Limited**

**K.Yugandhar**  
Company Secretary



Encl: As above

**Vivimed Labs Limited.**

CIN: L02411KA1988PLC009465

Registered Office: #78/A, Kolhar Industrial Area,  
Bidar, Karnataka - 585 403, India.

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Email: contact@vivimedlabs.com | www.vivimedlabs.com

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# Staying the course

Vivimed Labs Limited  
Annual Report 2020-21



Vivimed

# Between the Covers

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The business world is anything but a seamless road.

It is a world full of information, communication, noise and distractions, where focusing on the set path is an increasing challenge.

It is a deceptive maze of twists and turns that generally occur when you least expect it.

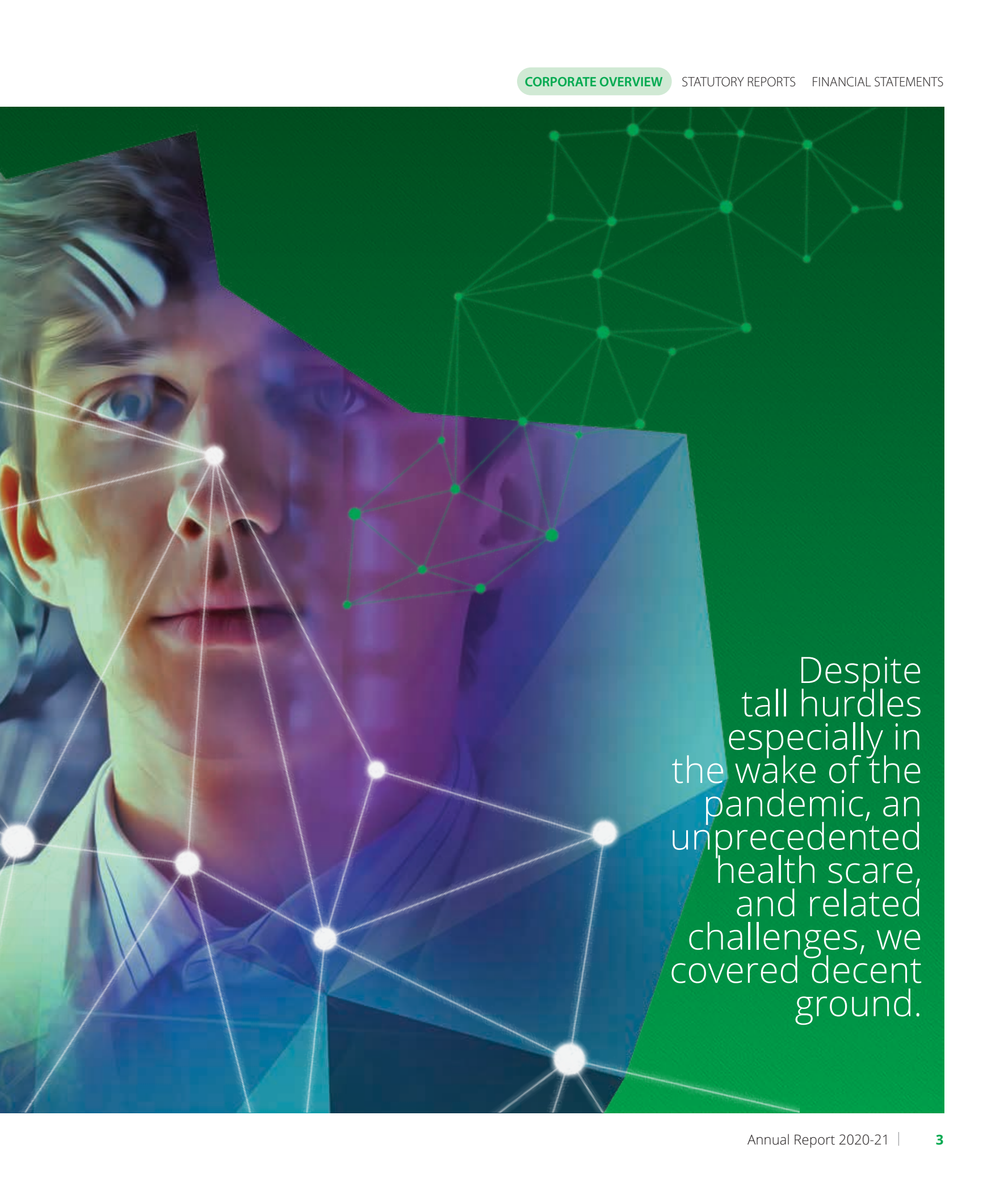
Under such trying circumstances, one requires deep knowledge of prevailing risks and realities, to be able to navigate the organisation out of the rough waters into the calm seas.

Businesses that ultimately succeed, are those that have an unbreakable resolve and determination to achieve the goal at hand and the unwavering persistence to stay the course

At Vivimed, despite the overwhelming challenges that hampered our progress during the year, we remained committed to our business strategy and stayed firm on our charted course.



We set our course in the previous year of leveraging differentiated delivery platforms for deepening our presence in lesser cluttered geographies of the world.



Despite tall hurdles especially in the wake of the pandemic, an unprecedented health scare, and related challenges, we covered decent ground.



## **We widened our reach and strengthened our foothold in the relatively under-cluttered markets.**

The US is considered the Mecca for pharmaceutical players. Because the US is the largest pharma market in the world. It provides healthy growth opportunities. Moreover, it opens doors to other regulated and semi-regulated markets. Hence, most pharmaceutical players drain their entire energy to garner a share of this market, however minuscule it may be.

Having been there and done that in earlier years, we have experienced the positives and shortcomings of being in the US market. We leveraged that knowledge to shift our needle.

Because even though regulated markets provided opportunities and brand recognition, growing competitive intensity was eroding margins.

Because semi-regulated markets were providing good opportunities as their national leaders in recent times committed the nation's resources to improve the healthcare ecosystem for their citizens.

Because when we cumulated individual opportunities emerging from these smaller markets of our presence and aspiration, the overall pie was large enough to sustain our growth ambition over the medium term.







With these realities in mind, we strategised to deepen our presence in pharmerging markets. We have made healthy inroads over the last two years.

We widened our product basket for CIS nations from 3 products in FY19 to 18 products in FY21. Moreover, we have several formulations in the regulatory and development pipeline which should occupy shelf space over the coming years.

This has also facilitated our GMP Certification with Health Canada and ensure business connectivity in Canadian territory.

The Ukraine Ministry of Health extended the approval of the GMP Certification awarded to our FDF manufacturing facility located in Jeedimetla up to 04.02.2022; this approval extension also includes 11 new product registrations.



We made considerable progress in strengthening our presence in Canada. We signed CDMO and Out-licensing projects. 8 products already commercialized and additional 8 products under various stage of approval of Market authorization before FY 23 .

We expanded our product offering in South East Asian markets of our presence which translated into improved business volumes from these geographies.

In doing so, we grew our global presence, we enlarged our product basket for the markets of our choice. As a result, our business revenue increased at a healthy uptick.



# We sharpened our focus on widening our presence in developing drugs based on novel drug delivery platforms.

In today's world, medicines for the common individual are almost always a tablet or a capsule. Almost every pharmaceutical company in the formulations space is manufacturing tablets and capsules. As a result, the space is very cluttered.

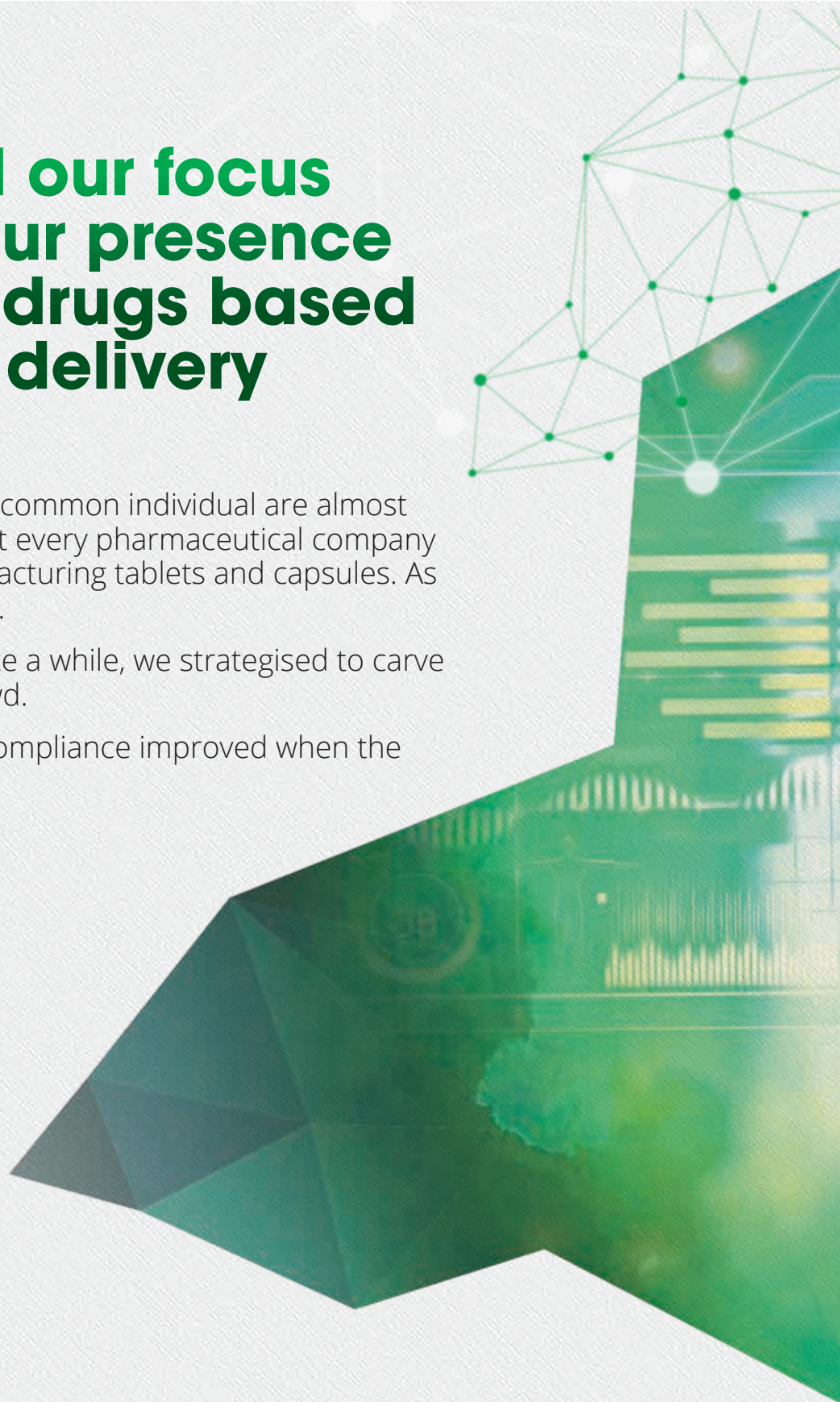
Having jostled in this space for quite a while, we strategised to carve out our niche from within this crowd.

Because we realised that patient compliance improved when the platform for delivering medication was changed.

Because new platforms helped strengthen our presence in interesting therapeutic segments like Nasal Sprays, metered doses and ophthalmic suspensions.

Because we figured that by offering formulations based on differentiated platforms product approval would be faster and would fetch better margins

Because we understood that we possessed the capability and expertise to develop products using differentiated delivery platforms.







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These factors pushed us to tread the road less travelled. Over the last two years, we have covered a good distance toward our goal.

The year under review was particularly rewarding.

With our traction in R&D could successfully develop antiviral products like Favipiravir, Molnupiravir & Nitric oxide Nasal Spray for prevention of COVID 19 and Commercialization of the same in India, Venezuela, Uzbekistan, Bolivia, Vietnam, Panama and other countries.

We commercialised nasal spray in Cambodia, Uzbekistan and Kyrgyzstan and commercialised Rivaroxaban Tablets (Anti-Coagulant) and HCQS tablets in Bolivia, Guatemala and Uzbekistan.

We actively pursued African markets for registration of Ophthalmic and Nasal sprays with considerable success; in FY21 we commercialised 11 Ophthalmic products for the African market.

Even as we step into FY22, we are optimistic about fortifying our presence in these new spaces.

# 16

Ophthalmic products & Nasal sprays are under development at our R&D

# 12

Ophthalmic products & Nasal sprays are pending approval with regulatory agencies in multiple nations.



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### About us

## Vivimed, a short story

From a modest beginning in 1988, today, Vivimed Labs is a global name in the pharmaceutical and specialty chemical segments. Driven by the desire to touch human life through chemistry and led by Mr Santosh Varalwar, the Managing Director, the Company has come a long way in developing and delivering solutions that positive impact millions across the globe.

Headquartered in Hyderabad, India, the Company maintains several state-of-the-art manufacturing facilities and R&D centres in India. Most of these facilities are approved by global regulatory authorities such as Health Canada as well as PICS/GMP. Our

focus on innovation, strict compliance and quality control have helped us accelerate growth in highly regulated markets across the globe.

The Company has a diverse product portfolio grouped under three verticals, namely, FDF (Finished Dosage Formulations) and Specialty Chemicals comprising generic and branded products.

In addition, the Company operates under several model such as CMO (Contract Manufacturing), CDMO (Contract Development and Manufacturing), Contract Research & Development, etc.



## Our Values and Principles

### WE FOCUS ON OPPORTUNITIES

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

### WE BUILD ON OUR CAPABILITIES

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

### WE EMBRACE CHANGE

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

### WE STRIVE FOR CONTINUOUS IMPROVEMENT

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

### WE ENDEAVOUR TO RISE AND SHINE

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





# Vivimed in numbers

6

Manufacturing facilities

2

R&D facilities

7 crore

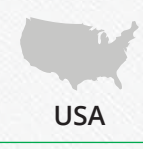
R&D spent (₹ Cr.)\*

## Our revenue mix



- Pharma 93.79%
- Specialty Chemicals 6.21%

## Our global presence



## Our marquee clients





# Key performance indicators

## Revenue (₹ crore)



## EBITDA (₹ crore)



## Net profit (₹ crore)



**Networth (₹ crore)****Cash flow from operations (₹crore)****Book value per share (₹)**



From the Managing  
Director's office



We received a good number of product approvals from many pharmerging markets which should occupy shelf space in multiple geographies across the world in the current year. This sets the platform for an improved performance in the current year.

## *Dear shareholders,*

I am happy to present to you our Annual Report, especially after having overcome the odds and challenges that confronted us in FY21. There was the unprecedented health scare owing to COVID-19 which brought the entire world to a near standstill, coupled with other headwinds, such as geopolitical tensions and disrupted business operations worldwide. Nonetheless, I am proud to mention that in the face of multiple difficulties, we sailed through with grit and recorded an improved performance.

Despite a drop in our revenue from operations by 18.35% from ₹ 1,067 crore in FY20 to ₹ 871 crore in FY21, our EBITDA improved from ₹ 16 crore to ₹ 40 crore over the same period. And the Net Loss was reduced to ₹72 crore in FY21 from ₹109 crore in the previous year.

This improvement was fuelled by a healthy increase in the

formulation business where we capitalised on interesting opportunities in India and the international markets of our presence.

Furthermore, we received a good number of product approvals from many pharmerging markets which should occupy shelf space in multiple geographies across the world in the current year. This sets the platform for an improved performance in the current year.

Going forward, we continue to map our portfolio against the dynamic market environment to create an offerings basket that serves as a lever for our ambitions. We aim to sharpen our focus on formulations that utilises our chemistry skills and sophisticated infrastructure adequately. There are also discussions around monetising non-performing assets and utilise the funds generated to reduce the organisation's leveraged position and fuel our growth drivers.

Even as we stepped into FY22 with considerable optimism, the second and deadlier wave of the pandemic dented our progress and zeal. The widespread social and economic upheaval in India and across the globe forced us to realign our blueprint in line with the prevailing challenge. This human tragedy impacted our performance in the first quarter of the current year. With India having flattened the curve with speed and grit, I remain hopeful of better numbers by the close of the current year.

In closing, I would like to express my sincere appreciation to all our stakeholders for their confidence and

support. I am certain that we will script an exciting growth journey ahead. Looking forward to our prosperous future at Vivimed. Thank you.

Warm regards

**Santosh Varalwar**  
Managing Director



## Management Discussion & Analysis

# An economic overview

**Global economy:** 2020 has been an unprecedented year in modern times, with the COVID-19 pandemic impacting human life extensively across the globe.

Its impact on the economic front, too, has been significant. The slowdown across economies witnessed in 2019 was exacerbated further in 2020 by the shock delivered by the pandemic. As a result, the global GDP is believed to have contracted by ~3.3% in 2020, with all major economies moving into negative territory.

The increase in balance sheet sizes of almost all central banks and the supportive measures undertaken by governments globally ensured easy availability of funding and support for both private and public consumption. This support has been instrumental in the progressive recovery seen in the last two quarters of the calendar year as compared to the significant contractions observed in the first two quarters.

Going forward, the global economy is projected to improve in 2021 as consumption, investment and trade are expected to gradually improve supported by ongoing vaccination across the globe.

**Indian economy:** Though India started FY21 on a dismal note with its GDP contracting by 24.4% in the first quarter of FY21 but recovered smartly to emerge as one of the select few economies to report positive growth for the three months October-December'20 – India's GDP grew by 0.4%. As the resurgence gained momentum, India's GDP growth for Q4 of 2020-21 was even better at 1.6%.

The hardest hit sectors, pandemic-related lockdowns and the social distancing norms, were tourism and travel, hospitality, aviation and construction. The agricultural sector maintained its resilience through adversities and emerged as a silver lining during the pandemic.

To accelerate economic recovery, India followed a multi-pronged

strategy of containment, fiscal and long-term structural reforms. Calibrated fiscal and monetary support was given by the government to boost consumption and investment in India.

The manufacturing sector rebounded sharply in the second half owing to the unlocking of the economy, the festive season and growing consumer confidence. In keeping with this uptick, GST collections crossed the ₹1 Lakh crore mark for every month in the second half of 2020-21 – it was ₹1.23 Lakh crore in March 2021, the highest collection since the launch of GST.

The outbreak of the second wave of Covid-19 in India thwarted the economic momentum India achieved in Q4 of 2020-21.

## The pharmaceutical sector

**Global pharma:** The Global pharmaceutical industry faced several challenges in the last few years, such as rising raw materials prices and reduced demand for prescription medicine. But on the flip side, cell and gene therapies showed great promise in treating rare diseases. While artificial intelligence (AI) and machine learning (ML) made drug discovery much more innovative as well as time and cost-effective, data analytics created value in manufacturing and supply chain.

FY 2020-21 was an aberration to the normal trend for the pharmaceutical

sector. Owing to the Covid-19 pandemic and the spike in active cases across the world, every other development in the pharmaceutical and healthcare industry came to a near standstill. Supply chain disruptions, immobility of the sales force, delayed product launches and suspension of drug trials are some examples.

The global health services spending declined 2.7% during 2020, largely owing to the restrictions on urgent and non-urgent medical care during the lockdowns. But prescription spending increased owing to the pandemic. Hence, if spending on prescription drugs is added total health spending was down by just about 1.5% in December 2020, compared to the same period in 2019.

Under the circumstances, pharma companies were forced to realign their priorities and business strategies to suit the need of the hour. Moreover, along with the challenges, global pharma companies were presented with several opportunities as well.

The pandemic altered the negative perception of the pharmaceutical sector (arising due to rising drug prices, fewer innovations, limited availability of life-saving drugs) into a positive position as a life-saving sector. This increased the interest and investments in the sector. Also, digital transformation, which was long overdue for many large companies, became a business mandate to move forward to achieve short-term and long-term business goals.

<https://www.healthsystemtracker.org/chart-collection/how-have-healthcare-utilization-and-spending-changed-so-far-during-the-coronavirus-pandemic/#Year%20over%20year%20percent%20change%20in%20personal%20consumption%20expenditures%20on%20health%20care%20services,%20January%201960%20-%20January%202021>

<https://www.healthcareradius.in/features/management/28852-global-healthcare-spending-expected-to-reach-over-10-trillion-by-2024-on-account-of-covid-19#:~:text=As%20the%20world%20continues%20to,over%20%2410%20trillion%20by%202024.>

<https://www.iqvia.com/insights/the-iqvia-institute/reports/the-global-use-of-medicines-2022>





### Emerging trends

**Specialty drugs:** Developed nations have been witnessing a rise in this kind of drug. On average about 50-60 such drugs are expected to come out every year globally. The specialty pharmaceuticals market is expected to grow at a CAGR of 35.4% from 2022 to 2027.

*Source: IQVIA Global Medicines Spending and Usage Trends Outlook to 2025  
<https://www.mordorintelligence.com/industry-reports/specialty-pharmaceuticals-market>*

**Precision Medicine:** Precision medicine is a treatment methodology that uses genetic or molecular profiling to optimise efficiency or therapeutic benefit. It is not a new concept, but in recent years it has demonstrated a higher level of effectiveness. It requires a smaller but very advanced manufacturing facility. Experts believe advancement in cancer medicine will drive the growth of precision medicine.

### Global Market Insights

## PRECISION MEDICINE MARKET

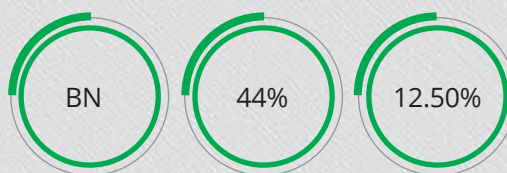
2020 CAGR (2021-27) 2027



>US\$52 BN 11.5% >US\$112 BN



Market Share (2020) CAGR (2021-27)



Precision Medicine Market Research Report

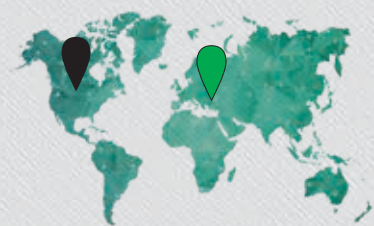
Oncology segment

Hospital segment

Diagnostic segment

NA market share (2020): **44%**

Europe market CAGR (2021-27): **>11%**

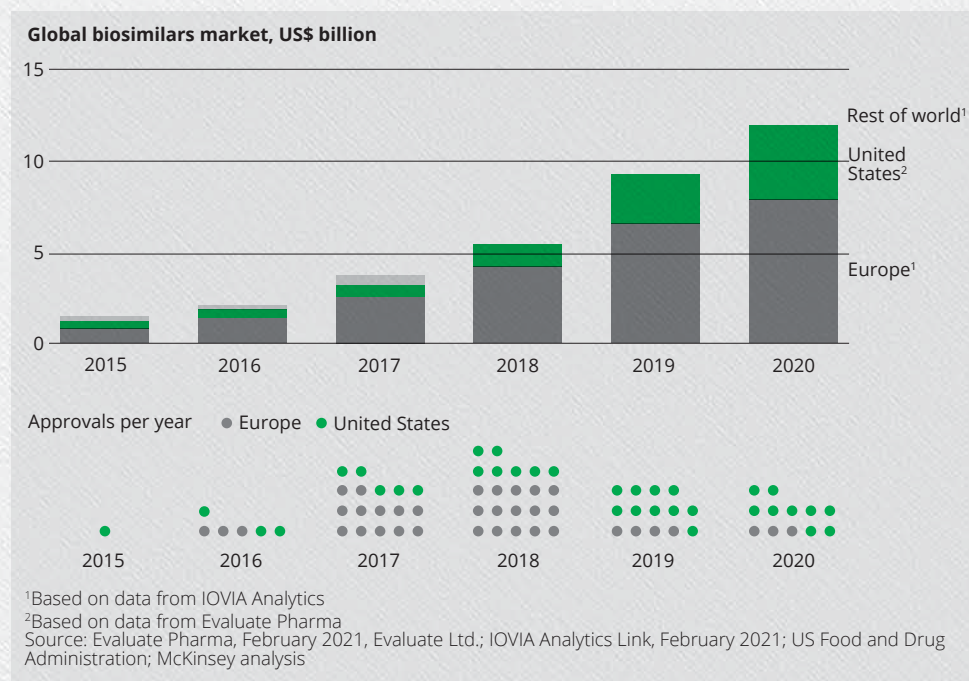


<https://www.gminsights.com/industry-analysis/precision-medicine-market>



**Biosimilars:** A biosimilar is to the biologics, what generics are to a patented formulation. According to McKinsey estimates, global sales of biosimilars reached US\$15 billion in 2020 while representing 56% CAGR from 2015. Despite the staggering growth, the biosimilar market will continue its double-digit growth to reach US\$30 billion by 2025.

**Artificial Intelligence:** AI and machine learning capability have accelerated the process of drug discovery and development by successfully optimising the manufacturing process through automation and developing an effective marketing strategy which proved to be both less time-consuming and cost-effective. AI also helped companies in patient identification in clinical trials by simplifying the eligibility criteria and cohort identification faster and cheaper.



**Big data analytics:** To handle the big volumes of data that are generated from every drug discovery program and drug development process, pharma companies require a high-performance system to analyze them. New age sophisticated data analytics technique is turning historical and real-time pharmaceutical data into assets that can be utilised by the pharma companies for predictive analytics.

Source: IQVIA National Sales Perspectives, Jun 2020; IQVIA Institute, Sep 2020  
<https://www.mckinsey.com/industries/life-sciences/our-insights/an-inflection-point-for-biosimilars>



### Prospects over coming years

The global medicine market — using invoice price levels — is expected to grow at 3–6% CAGR through 2025, reaching about US\$1.6 trillion in total market size in 2025 excluding spending on COVID-19 vaccines. The total cumulative spending on COVID-19 vaccines through 2025 is projected to be US\$157 billion, largely focused on the initial wave of vaccinations to be completed in 2022. In later years, booster shots are expected to be required on a biennial basis as the durability of immunity and the continued emergence of viral variants make an endemic virus the most likely outcome.

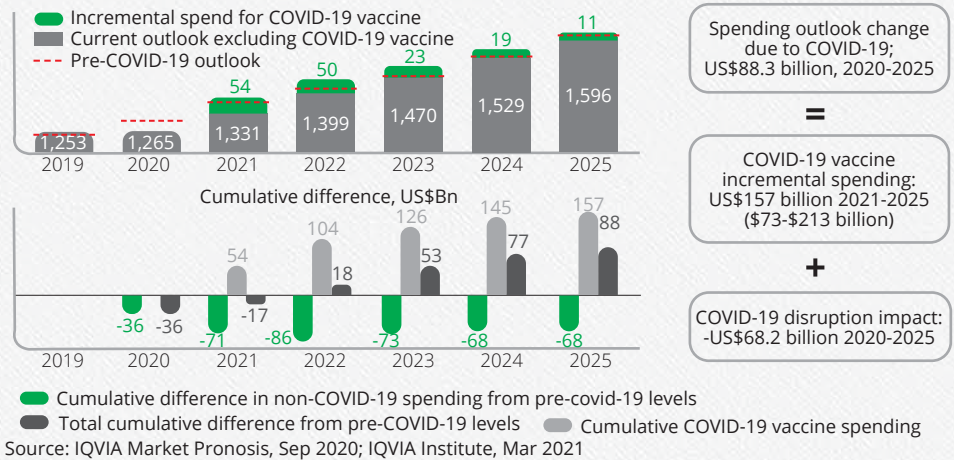
Growth in Global Medicine Spending will be lifted by stronger pharmerging market growth through 2025 and offset by developed markets where slower growth will result as losses of exclusivity for original brands outweigh growth from new products.

**Indian pharma:** In these difficult times, the Indian pharma industry, which supplies medicine to about 1 out of every 6 people in the world, is proved to be the backbone of the Indian economy. Increased spending, improved accessibility and growing exports put the Indian pharma and healthcare sector in the frontrunner position which recorded positive growth in 2020, despite headwinds created by the pandemic.

The Indian pharma industry, otherwise referred to as the 'Pharmacy of the World' supplies more than 60% of the global demand for vaccines, more than 40% of the generic demand in

### Global medicine spending will rebound in 2021 including COVID-19 vaccines and exceed the pre-pandemic outlook through 2025

Exhibit 8: Changes in the Historical and Projected Global Medicine Spending Model due to COVID-19, 2019-2025, US\$Bn



The global formulation market was estimated to be around US\$1,137 billion in 2020 and is expected to grow at a CAGR (2020–2026) of 3.4% to reach about US\$1,386 billion by 2026. This growth is largely attributed to the launch of novel therapies, expansion of existing therapies, growing demand for generic medicines, biologics and personalised medicines as well as accelerated demand for effective treatments and drugs.

the US and 25% of all medicines in Great Britain. Ranked third by volume and 14th by value, the Indian pharma industry is one of the fastest-growing pharma industries in the world.

This success can be attributed to the advanced capabilities in formulation development, the entrepreneurial ability and the vision of the industry to establish India's footprint in large international markets.

Being one of the largest pharma industries in the world, India's generic exports account for nearly 20% of the global volume.

India is the source of approx. 60,000 generic brands across 60 different therapeutic categories. Indian pharma exports reached US\$20.7 billion in FY20 with a rise of 8.4% y-o-y, representing a growth of 6.2% CAGR since FY2015.

As a result, the pharma sector has been contributing significantly to India's economic growth as one of the top 10 sectors in reducing the trade deficit and attracting Foreign Direct Investment (FDI). The drugs and pharmaceuticals sector attracted a cumulative FDI inflow worth US\$16.54 billion between April 2000 and June 2020.



### Government thrust for the pharma sector

The Government's concerted push towards the pharma sector through initiatives such as Make in India, Ayushman Bharat Scheme, National Digital Health Mission, etc., has cemented India as a leading player in the global pharma sector.

- Production linked incentive (PLI) scheme for the pharma industry worth ₹15,000 crore (US\$2.04 billion) to promote domestic manufacturing of critical key starting materials (KSM), drug intermediates, and active pharmaceutical ingredients (APIs) making India a leading supplier
- The Government has approved a total of 33 applications with a committed investment of ₹5,082.65 crores under a separate PLI scheme for APIs
- Increased thrust on rural health programmes, lifesaving drugs and preventive vaccines
- Plan for mega bulk drug parks to reduce raw material dependence on imports
- The Union Budget 2021-22 saw an unprecedented increase in allocation for the health sector:
  - Increased spending on the healthcare from 1.2% of the GDP to 2.5% of the GDP
  - ₹64,180 crores allocation for the Atmanirbhar Swasth Bharat Yojana for the development of primary, secondary, and tertiary healthcare over six years
  - ₹2,23,846 crores budget outlay for health and well-being for FY 2022, an increase of 137% over the previous year
- ₹35,000 crores outlay for Covid-19 vaccines and national rollout of pneumococcal vaccines to help save over 50,000 lives annually
- ₹6,429 crores for health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana

<https://pharmaceuticals.gov.in/sites/default/files/english%20Annual%20Report%202020-21.pdf>

[https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_in/topics/health/2021/ey-ficci-indian-pharma-report-2021.pdf?download](https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/health/2021/ey-ficci-indian-pharma-report-2021.pdf?download)

The Indian pharmaceutical market for the first time crossed the ₹1,00,000 crore mark in November 2020 based on the Moving Annual Total (MAT).



## The API segment

Active Pharmaceutical Ingredients (API) are the biologically active component of a drug to obtain the intended outcome. The amount of API in a medicine outlines the strength of the drug. Drug manufacturers used to make their APIs earlier, but in recent times, API manufacturing is being outsourced to save costs. APIs are of two types, synthetic APIs and natural APIs. Synthetic APIs are made in the laboratory whereas natural APIs are derived from plants or animals.

**Global scenario:** Today synthetic APIs dominate the global API manufacturing industry, more than

80% of the APIs manufactured globally are synthetic APIs. Although, the market of API witnessed a negative impact due to the Covid-19 pandemic. Further, the non-availability of raw materials forced the factories in different countries to close down the factories. Also, a decrease in demand for pharmaceuticals for non-urgent medicines and supply chain disruptions led to diminishing growth in 2020. But the phased lifting of the pandemic restrictions at the end of 2020 helped the sector to get back on its growth track.

The global API market generated a revenue of US\$185.23 billion in 2020 and is further expected to grow to a market value of US\$331.37 billion by 2030 while growing at 6.08% CAGR. The North American market is the largest in terms of revenue. It garnered US\$71.70 billion alone in 2020 and is projected to grow to US\$127.61 billion by the end of 2030. The market of Asia Pacific is the second largest market in the world. It generated a market revenue of US\$56.35 billion in 2020 and is projected to be at US\$104.98 billion in 2030.



### Growth drivers

- Increasing prevalence of chronic diseases such as cancer, CVDs, diabetes, etc. According to WHO statistics, in 2019 alone, 17.9 million people died of CVDs, 1.5 million people died of diabetes and an estimated 10 million deaths were caused by cancer making it one of the leading causes of deaths around the world
- Significant increase in the aging population across the world
- The increasing importance of generics and rising interest in

biopharmaceuticals in the global pharma space

- Increasing demand for personalised medicine and the emergence of novel drug delivery devices
- Increasing healthcare expenditure by both public and private entities

**Indian scenario:** Ranked third in the world, the Indian bulk drug industry has grown at a CAGR of around 9% over 2016–2020. It is further expected to expand and grow at a CAGR of around 9.6% during 2021–2026, signifying its future potential and evolving global importance.

However, over the last decade, India's dependence on imports of many KSMs, intermediates and APIs has increased significantly. Currently, India imports nearly 68% of API, by value, from China. The latter is also a single supplier for many of the critical intermediaries and APIs including high-burden disease categories such as cardiovascular ailments and tuberculosis.

The Government, to build self-sufficiency in the API domain, introduced lucrative policies that are expected to drive new investments in this space.

**Production linked incentive:** It has announced a Production linked incentive (PLI) scheme for the pharma industry worth ₹15,000 crore (US\$2.04 billion) to promote domestic manufacturing of critical key starting materials (KSM), drug intermediates, and active pharmaceutical ingredients (APIs) making India a leading supplier.

**Bulk drug scheme:** The Central Government has also announced the promotion of the bulk drug parks scheme with a financial outlay of ₹3,000 crore for three select states, which will provide infrastructure assistance to the active pharmaceutical ingredient (API) players.



## The Specialty Chemical segment

Specialty chemicals are used by a plethora of manufacturing industries such as textiles, oil and gas, ink additives, construction, food and cosmetics. The chemical compositions and effectiveness of the compounds determine their use.

The global specialty chemical market size was US\$627.7 billion in 2020. The global impact of Covid has been unprecedented and staggering, with specialty chemicals witnessing a negative demand shock.

**Global scenario:** The market is projected to grow from US\$641.2 billion in 2021 to US\$882.6 billion in 2028 at a 4.7% CAGR during the 2021-28 period.

The growth of the specialty chemicals market is primarily attributed to the increase in R&D activities to develop new products, the rise in demand in the Asia Pacific region, and the growth in the end-user industries. However, key factors such as volatile

raw material costs and environmental concerns regarding toxicity issues of some specialty chemicals are projected to hamper the sector's growth.

With the world becoming increasingly conscious and concerned about health and safety, the growth in the sale of industrial and institutional cleaners, disinfectants and sanitisers has expanded at a faster rate than usual.

*(Source: <https://www.fortunebusinessinsights.com/specialty-chemicals-market-105517>)*

**Indian scenario:** Specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. Indian manufacturers have recorded

a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4%.

Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.







Vivimed



## The Business Performance

Vivimed is a globally respected player in the pharmaceuticals and specialty chemicals spaces catering to marquee international brands with its innovative products and solutions. The Company leverages its chemistry prowess to develop solutions that enable the Company to be relevant to its clients despite the rapidly changing customer requirements. The Company's business is segregated into two verticals – Pharmaceuticals and Specialty Chemicals. The split facilitates a superior focus on managing the operations more deftly.

### Revenue split by business vertical



- Pharmaceuticals: ₹808 crore (94% of total)
- Specialty Chemicals: ₹54 crore (6% of total)



## The Pharmaceutical's vertical

This is the flagship vertical for the Company which is the key growth driver for the Company. In this vertical, the Company enjoys a manufacturing presence in three continents developing and delivering products to regulated and pharmerging markets. Within the pharmaceutical vertical the API segment is the key revenue and growth driver.

**a) API segment**

The API segment is managed by its international subsidiary UQUIFA s.a. Headquartered in Barcelona, with advanced production facilities spread across three continents the Company's API segment enjoys a strong presence in Europe and the US. Within the API piece, the Company has two sub-segments – Generic APIs and CDMO.

**400ki**  
across  
3 sites

Manufacturing capacity (TPA)

**34**

Approved COS

**GLOBAL**

**P&G, Viatris, Normon  
Aristo (Germany), Tewa  
engaged in CDMO  
with leading innovator  
companies**

Customers

**2**

R&D Centers



The generic API business that operates on a volume-led business model is the key revenue earner for the API segment.

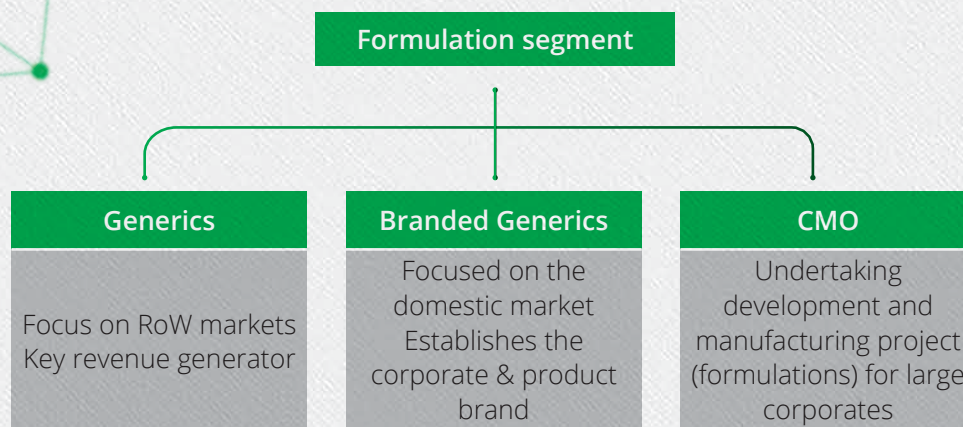
During the year, the Company undertook important measures to strengthen its API piece.

These realities should assist the Company in strengthening its capability matrix to grow revenue from Generic APIs.

The CDMO piece which is a Value-accretive operation helps the Company in improving overall margins. UQUIFA is one of the first API/ advanced intermediate manufacturing companies offering R&D and cGMP manufacturing (at its three US FDA-approved facilities) across three continents. The acquisition of SONEAS (in FY19) broadens UQUIFA's market offering in the CDMO space to undertake

preclinical, Phase I, II and III NCE project development.

In FY21, Soneas had a good order book that comprised contributions from top-tier names. Besides, the order book contained a good blend of non-pharma projects which showcases the diversity in operating capability



## b) Formulations segment

This forward integration is an important value driver for the pharmaceutical business and the Company as it provides superior returns on the employed capital. The Company enjoys a strong presence in several pharmerging nations.

Although this segment is only a small piece of the organisational revenue currently, the Management's unwavering focus on accelerating the growth of this segment should improve margins and cash flows over the coming years.

During the year, the Company made considerable headway to strengthen its formulation business:

- Signed site transfer and technology transfer projects with Canadian partner; Hot Lemon was commercialised in Canada; the regulatory authorities of the nation approved 6 product to be commercialised in FY22
- Received 14 products approval from Uzbekistan which are expected to be commercialised in the current year
- Commercialised Nasal spray in Cambodia, Uzbekistan and Kyrgyzstan; commercialised Cinacalcet tablets for the Guatemala market
- Actively pursued African market for registration of Ophthalmics and Nasal sprays; commercialised 11 Ophthalmic products for the African market

From a regulatory perspective, the team had important achievements which should help in strengthening its product offering in the markets of its presence.

- Site registration for Myanmar is completed and brands are being approved.

- Got approval for 200mg tablets with DCGI- India for the domestic market
- Bilastine, an important formulation, is under registration in various markets including the Philippines, Myanmar, Vietnam, Oman, Cambodia etc.
- Ukraine PICS, renewal for GMP initiated and approval received
- Filed various products in Canada. Received approvals for 6 products and approval expected for about 6-8 products in 2023

Revenue from institutional business remained subdued owing to the Government's single-minded focus on funding Covid and its management. This is expected to improve in FY22 as the Company has participated in many interesting tenders which could generate sizeable volumes.

The CDMO vertical within the Formulations vertical is spearheaded by Finoso Pharma Pvt. Ltd. Revenue in FY21 remained muted owing to the pandemic and other disruptions. However, the Company has received some projects from respected pharma corporates (domestic and international). These projects are expected to move into commercial production in the current year.



## The Specialty Chemical vertical

Vivimed is renowned and respected in the global specialty chemicals space for its ability to leverage its chemistry skills for developing active ingredients primarily for hair dye and photochromic applications – its products are manufactured at Bidar facility, Karnataka.

During the year, sales volumes dropped owing to the extraneous circumstances that prevailed across

the globe owing to the health scare. As a result, revenue from operations remained muted.

To strengthen the division's performance, the team implemented the following measures, which should help in shoring its growth and profitability in the current year.

## Financial Performance

Vivimed's performance was impacted by the pandemic. As such the financial remained largely subdued.

Owing to lockdowns globally and disrupted supply chain across the world, revenue from Operations dropped by 18% from ₹1,067 crore in 2019-20 to ₹871 crore in 2020-21. Reduced business volumes and increased pressure of cost inflation pushed the EBITDA lower to ₹395 crore in 2020-21 from ₹164 crore in 2019-20.

The Company reported a Net Loss for 2020-21 at ₹72 crore which was lower than the ₹109 crore Net Loss it reported for 2019-20.

The Loss impacted the Company's Networth as it slipped from ₹835 crore as on March 31, 2020 to ₹432 crore as on March 31, 2021. The total debt stood at ₹1,355 crore as on March 31, 2021 as against ₹830 crore as on March 31, 2020.

## Human resource

FY21 was one of the most challenging years in living history as humans, essentially social beings, were forced to remain confined within their homes owing to the pandemic. The Company took this crisis as an opportunity to connect with its team. It leveraged technology to connect virtually with the 637 member Vivimed team. The senior leadership spoke at length with the team to allay apprehensions.

The HR team also connected with the entire team at regular intervals to explain the Dos and Don'ts during the pandemic for the health of the individual and his family.

The HR team worked zealously to keep the team engaged and motivated. Knowledge-sharing sessions and regular training sessions were organised virtually to enhance skill sets and personality development.

The Company also developed a roadmap for aligning to the 'new normal', drew up an action plan and

reinforced the review mechanism for the safety of business operations and its people. This helped in becoming business ready with the phased unlocking of the nation.

Even as work resumed, the HR team remained extremely vigilant to ensure that the Covid protocols announced by the Government from time to time were strictly adhered to.

The Company's HR policies are devised to build a smarter workforce that stays tuned to the rapidly evolving business dynamics and infuse a culture of adaptability to changes, agility to work fast, and an affinity to grow.

Vivimed believes in the concept of self-learning. It encourages its team members to identify areas of improvement and knowledge enhancement for sharpening their skill sets and enthusing them to perform better every day.

### Global medicine spending will rebound in 2021 including COVID-19 vaccines and exceed the pre-pandemic outlook through 2025

Particulars	2020-21	2019-20	Change
Debtors Turnover Ratio	4.3	3.5	23%
Inventory Turnover Ratio	2.7	2.0	37%
Interest Coverage Ratio	(0.3)	(0.9)	67%
Current Ratio	1.6	1.3	23%
Debt-Equity Ratio	1.9	1.6	19%
EBITDA margin (%)	5	2	150%
Net margin (%)	(8)	(10)	19%
Return on Net Worth (%)	(9)	(13)	31%





Vivimed



## Risk management

Risks are inherent to our business as our operating environment is complex, highly regulated, and dynamic. Identifying, analysing, and responding appropriately to these business risks is important to attain our strategic growth objectives, thereby protecting the interests of our stakeholders and meeting legal requirements.

At Vivimed, we believe that systematic risk management practices ensure effective navigation to achieve business objectives and enable sustainable growth in a volatile and complex environment.

We have a well-embedded Risk Management Framework to ensure that we are well-placed to manage any adverse effect posed by financial, operational, strategic, or regulatory-related risks. Our framework adopts appropriate risk mitigation measures for identified risks across functions. A report on risk management is periodically presented to the Board committee responsible for risk governance

### Cautionary statement

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

## Internal Control Systems and their Adequacy

Vivimed maintains a system of well-established policies and procedures for internal control of operations and activities. It continuously strives to integrate the entire organisation – from strategic support functions like finance, human resource and regulatory affairs to core operations like research, manufacturing and supply chain management.

The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has appointed independent agencies as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for a periodical review.



Vivimed

# Statutory Reports

# Corporate Information

## BOARD OF DIRECTORS

Dr. Jamalapuram Harigopal - *Chairman (Independent Director)*  
 Mr. Santosh Varalwar - *Managing Director*  
 Dr. Manohar Rao Varalwar - *Whole Time Director*  
 Mr. Subhash Varalwar - *Non Executive Director*  
 Mr. Sandeep Varalwar - *Whole Time Director*  
 Ms. Aparna Bidarkar - *Independent Director*

## CHIEF FINANCIAL OFFICER

Mr. Ramakanta Tripathy

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Yugandhar Kopparthi

## STATUTORY AUDITORS

M/s PCN & Associates, Chartered Accountants  
 Plot No.12, N Heights Ground Floor, Software Layout Unit  
 Cyberabad, Hyderabad 500081

## SECRETARIAL AUDITORS

Mr. N.V.S.S. Suryanarayana Rao  
 Practicing Company Secretary  
 Plot No 232B, Road No. 6  
 Samathapuri Colony, New Nagole  
 Hyderabad 500035

## COST AUDITORS

M/s. A.S. Rao & Co, Cost Accountants  
 3-5-1091/8, S V Colony  
 Narayanaguda, Hyderabad 500029

## AUDIT COMMITTEE

Mrs. Umanath Varahabhotla - *Chairperson*  
 Mr. Sandeep Varalwar - *Member*  
 Dr. Jamalapuram Harigopal - *Member*

## MANAGEMENT COMMITTEE

Dr. Manohar Rao Varalwar - *Chairman*  
 Mr. Santosh Varalwar - *Member*  
 Mr. Sandeep Varalwar - *Member*

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Umanath Varahabhotla - *Member*  
 Mr. Santosh Varalwar - *Member*  
 Dr. Manohar Rao Varalwar - *Member*

## NOMINATION AND REMUNERATION COMMITTEE

Dr. Jamalapuram Harigopal - *Chairman*  
 Mrs. Umanath Varahabhotla - *Member*  
 Mr. Subhash Varalwar - *Member*

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Subhash Varalwar - *Chairman*  
 Mr. Santosh Varalwar - *Member*  
 Dr. Manohar Rao Varalwar - *Member*  
 Dr. Jamalapuram Harigopal - *Member*

## REGISTERED OFFICE

Plot No. 78/A, Kolhar Industrial Area  
 Bidar 585403, Karnataka  
 Tel: 08482-232045, Fax: 08482-232436

## CORPORATE OFFICE

North End, Road No.2,  
 Banjara Hills, Hyderabad 500034  
 Tel: 91-40-6608 6608, Fax: 91-40-6608 6699

## REGISTRAR & TRANSFER AGENTS

Aarthi Consultants Private Limited  
 1-2-285, Domalguda, Hyderabad 500029  
 Phone : 040-27638111/27634445  
 Fax : 040-27632184  
 Email : info@aarthiconsultants.com

## LISTING

BSE Limited  
 National Stock Exchange of India Limited

## BANKERS / INSTITUTIONS

State Bank of India  
 Indian Bank (e-Allahabad Bank)  
 Bank of Bahrain & Kuwait B.S.C  
 Export-Import Bank of India  
 International Finance Corporation

## Note:

1. Mrs. Umanath Varahabhotla, (*Independent Director*) resigned on 10-01-2021
2. Ms. Aparna Bidarkar, (*Independent Director*) appointed on 14-02-2022
3. Mr. Ramesh Krishnamurthy, (*CEO cum CFO*) resigned on 15-10-2021
4. Mr. Ramakanta Tripathy (*Chief Financial Officer*) appointed on 12-04-2022



# Board's Report

Dear Members,

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2021.

## FINANCIAL RESULTS

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2021 is summarized below:

(₹ in million)

	Standalone		Consolidated	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Gross Income	2,161.2	2,831.41	8,712.91	10,670.54
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	337.75	388.27	395.14	163.63
Finance Charges	414.92	429.99	538.76	588.91
Depreciation/Amortization	157.95	165.68	554.95	669.46
Net Profit Before Tax	(235.13)	(207.4)	(698.57)	(1,094.74)
Provision for Tax	(2.34)	(15.7)	20.29	(3.59)
Net Profit After Tax carried to Balance Sheet	(232.79)	(191.7)	(718.86)	(1,091.15)

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

On a consolidated basis, your Company reported total revenue of ₹8,712.91 million as against ₹10,670.54 million. EBITDA for FY2021 was ₹395.14 million compared to ₹163.63 million in the previous year. Net profit after tax for the group for the current year is ₹(718.86) million as against ₹(1,091.15) million in the previous year.

Total revenue from operations on standalone basis decreased to ₹2,161.20 million as against ₹2,831.41 million in the previous year. FY2021 EBITDA was ₹337.75 million compared to ₹388.27 million

in the previous year. The Profit after Tax for the current year is ₹(232.79) million as against ₹(191.70) million in the previous year.

## COVID-19:

Pharmaceutical industry being part of the essential commodities was given special permission by Indian government to operate with minimal manpower and maintaining social distancing. The Company has followed the guidelines issued by the Government to run the operations with complete cautious approach about the health and safety of the employees. There is no material impact on the business of the Company during the year under review due to Covid-19 pandemic.

**OUTLOOK:**

Business prospects may remain positive because of the growing global demand for generics and opportunities provided by the expiry of patents in developed markets. Post Covid-19, there may be new business opportunities for the pharmaceutical industry, in particular, our company.

**MANAGEMENT DISCUSSION & ANALYSIS:**

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

**DIVIDEND:**

Due to losses, the board of directors of the company have not recommended any dividend for the year FY2021.

**TRANSFER TO RESERVES:**

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

**MATERIAL CHANGES AFFECTING THE COMPANY:**

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

**SHARE CAPITAL:**

The Authorised Share Capital of the Company is ₹111,00,00,000/- (Rupees One Hundred Eleven Crores only) comprising 20,00,00,000 (Twenty crores) Equity Shares of ₹2/- (Rupees Two Only) each, and 7,10,000 (Seven Lakh Ten Thousand only) Preference Shares of the Company with a par value of ₹1,000/- (Rupees One Thousand only) each. The paid-up share capital of the Company is ₹16,58,27,830/- (Rupees Sixteen Crores Fifty Eight lakhs Twenty seven thousand Eight hundred and thirty only) comprising 8,29,13,915 (Eight crores Twenty nine lakhs thirteen thousand nine hundred and fifteen only) Equity Shares of ₹2/- (Rupees Two Only) each.

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

In terms of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, unclaimed dividend amounting to ₹6,49,875/- (Six lakh forty nine thousand eight hundred and seventy five only) for the financial year 2012-13, was transferred during the year under review to the Investor Education and Protection Fund established by the Central Government.

**SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES:**

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

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

During the current financial year the (1) Vivimed Specialty Chemicals Private Limited (Country - India) (2) UQUIFA Sciences (Mascarene) Ltd. (Country - Mauritius) (3) Uquifa Sciences UK Ltd (formerly Vivimed Labs UK Ltd. (country - United Kingdom) (4) UQUIFA S.A (formerly Vimed Labs Spain S.L.), (country - Spain) (5) Union Quimico Farmaceutica S. A.U (country - Spain) (6) Holliday International Limited UK (country - United Kingdom) (7) Uquifa Mexico S.A de. C.V (country - Mexico) (8) Soneas Chemicals Ltd (country - Hungary) (9) Soneas Research Ltd (country - Hungary) (10) UQUIFA India Private Ltd (country - India) have ceased to be the subsidiary(ies)/step-down subsidiary(ies) of the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Subhash Varalwar, Non executive Director, Mr. Manohar Rao Varalwar, Executive Director and Mr. Sandeep Varalwar Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint them as directors of the Company.

Mr. S. Rahunandan, Executive Director of the Company demised on 25-06-2020. The Board expressed its condolences and appreciated and put on record the valuable services rendered by Mr. S. Rahunandan during his tenure of directorship in the Company.

Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020. The Board expressed its condolences and appreciated and put on record the valuable services rendered by Prof. Bhagvanth Rao Mamidpalli during his tenure of directorship in the Company.



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

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

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

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

**Note:**

1. Mrs. Umanath Varahabhotla, (Independent Director) resigned on 10-01-2021,
2. Ms. Aparna Bidarkar, (Independent Director) appointed on 14-02-2022
3. Mr. Ramesh Krishnamurthy, (CEO cum CFO) resigned on 15-10-2021
4. Mr. Ramakanta Tripathy (Chief Financial Officer) appointed on 12-04-2022

**BOARD EVALUATION:**

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

**CONSOLIDATED ACCOUNTS:**

The Consolidated Financial Statements of your Company for the financial year FY2021 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited/ unaudited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

**COMPLIANCE WITH SECRETARIAL STANDARDS:**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts on a 'going concern' basis for the financial year ended 31<sup>st</sup> March, 2021;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

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

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

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

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

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

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

### **HUMAN RESOURCES:**

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

### **LOANS, GUARANTEES & INVESTMENTS:**

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March, 2021, are set out in the Standalone Financial Statements forming part of this report.

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

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

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

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

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

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





## Vivimed

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

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

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

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

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

### **PUBLIC DEPOSITS:**

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

### **CORPORATE GOVERNANCE:**

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

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

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

Pursuant to regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, certificate from M/s. PCN & Associates, Statutory Auditors is given as 'Annexure-3' to the Board's report.

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

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

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

### **INSURANCE:**

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

### **AUDITORS AND AUDITORS' REPORT:**

#### **(i) Statutory Auditors:**

M/s. PCN & Associates, Chartered Accountants, (Firm Registration No.016016S), were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 30<sup>th</sup> Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company.

The Auditor's Report for the financial year ended 31<sup>st</sup> March, 2021, has been issued with an unmodified opinion, by the Statutory Auditors.

During the year under review, there was no audit qualification on your Company's financial statements.

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

In accordance with Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors') Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the Company maintains the cost records in respect of its business.

Your Board has appointed M/s. A.S. Rao & Co, Cost Accountants, (Firm Registration No.000326), as the Cost Auditors of the Company for the Financial Year 2021-22. As required by the Act, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. N.V.S.S. Suryanarayana Rao,

Practicing Company Secretary (Certificate of Practice No. 2886), to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report issued in Form MR-3 is in '**Annexure-4**' to this Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report, except interest on delayed dividend payment is pending (Dividend for the Financial Year 2017-2018 declared at AGM held on 27-09-2018).

## DISCLOSURES:

### Meetings of the Board

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

### Audit Committee

The Audit Committee comprises majority of Independent Directors namely Mrs. Umanath Varahabhotla (Chairperson), Mr. Sandeep varalwar and Mr. Harigopal Jamalapuram as other members. During the year all the recommendations made by the Audit Committee were accepted by the Board.

### Vigil Mechanism

The Company has a Vigil mechanism and a Whistle - blower policy in accordance with provisions of the Act and Listing Regulations, under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee.

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

### Code of Conduct

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

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

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

### Extract of Annual Return

The Extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies

(Management and Administration) Rules, 2014 in Form MGT-9 is annexed as '**Annexure-6**' to this report.

### Particulars of Employees and related disclosures

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

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

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

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

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

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" for the matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" and constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

The Company regularly conducts awareness programs for its employees.

### General

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.



## Vivimed

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

### RELATED PARTY TRANSACTIONS:

In accordance with Sec 134(h) of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with the Related Parties referred to in Sec.188(1) of the Act, have been

provided in Form AOC-2 and attached the same as '**Annexure-7**'. The details of related party disclosures as stated in the notes to the financial statements forms part of this annual report.

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

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

### ACKNOWLEDGEMENTS:

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

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

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Manohar Rao Varalwar**  
*Whole time Director*

Sd/  
**Santosh Varalwar**  
*Managing Director*

Place: Hyderabad  
Date: 13-01-2023

# ANNEXURE - 1 TO BOARD'S REPORT

## FORM AOC-1

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

### Part- A - Subsidiaries

Sl.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense / (Benefit)	Profit / (Loss) after Taxation	Proposed Dividend
												(₹ in Millions)
1	Finoso Pharma Pvt ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	-	30.15	42.55	211.80	211.80	-	133.70	1.70	-2.04	3.74	-
2	Vivimed Specialty Chemicals Private Limited Plot No. 78-A, Kolhar Industrial Area, Kolhar, Bidar - 585403, Karnataka, India	-	##	##	##	##	##	-	-	-	-	-
3	UQUIFA India Private Limited North End, 8-2120/86/9/A/1 & 12, Anil Athmaja HousingSocty, Road No: 2, Banjara Hills, Hyderabad, Telangana, India, 500034	-	##	##	##	##	##	47.53	13.38	1.71	11.67	-
4	Vivimed Holdings Limited Rooms 2702-03, 27/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong	-	622.16	-277.70	2678.02	2678.02	-	-	-0.94	-	-0.94	-
5	Vivimed Labs USA INC. 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	-	33.15	373.98	976.05	976.05	-	-	-	-	-	-
6	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	-	371.55	691.48	3215.80	3215.80	-	14.58	14.53	-	14.53	-
7	Vivimed Labs UK Limited PO Box B3, Leeds Road, Huddersfield HD1 6BU	-	##	##	##	##	##	14.17	70.43	-	70.43	-



SI.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense / (Benefit)	Profit / (Loss) after Taxation	Proposed Dividend
8	Vivimed Labs Spain S.L. c/ Mallorca, 262, 3º -08008 Barcelona-Spain-	-	##	##	##	##	##	22.71	-47.65	-	-47.65	-
9	Union Quimico Farmaceutica S.A.U c/ Mallorca, 262, 3º -08008 Barcelona-Spain-	-	##	##	##	##	##	3526.94	-439.25	-	-439.25	-
10	Holiday International Limited PO Box B3, Leeds Road, Huddersfield, HD1 6BU	-	##	##	##	##	##	15.87	-33.70	-	-33.70	-
11	Uquifa Mexico S.A. de C.V. 37 Este, No 126, Civac, 62570 Jiutepec, Morelos, México	##	##	##	##	##	##	1699.85	-9.74	-36.53	-	-
12	Uquifa Sciences (Mascarene) Ltd C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	-	##	##	##	##	##	-	-0.41	-	-0.41	-
13	Soneas Chemicals Ltd Illatos út 33. H-1097 Budapest Hungary	-	##	##	##	##	##	873.40	-106.42	22.48	-128.90	-
14	Soneas Research Ltd Illatos út 33. H-1097 Budapest Hungary	-	##	##	##	##	##	353.24	111.16	7.55	103.61	-

**Note: ##** During the current financial year the (1) Vivimed Specialty Chemicals Private Limited (Country - India) (2) UQUIFA Sciences (Mascarene) Ltd. (Country - Mauritius) (3) Uquifa Sciences UK Ltd (formerly Vivimed Labs UK Ltd. (country - United Kingdom) (4) UQUIFA S.A. (formerly Vivimed Labs Spain S.L.), (country - Spain) (5) Union Quimico Farmaceutica S. A.U (country - Spain) (6) Holiday International Limited UK (country - United Kingdom) (7) Uquifa Mexico S.A de. C.V (country - Mexico) (8) Soneas Chemicals Ltd (country - Hungary) (9) Soneas Research Ltd (country - Hungary) (10) UQUIFA India Private Ltd (country - India) have ceased to be the subsidiary(ies)/step-down subsidiary(ies) of the Company.

## Part- B - Associates and Joint Ventures

Sl.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense / (Benefit)	Profit / (Loss) after Taxation	Proposed Dividend
1	Yantra Green Power Pvt. Ltd., Plot No.1303&1304, 2 <sup>nd</sup> Floor, Khanamet, Ayyappa Society, Madhapur, Hyderabad-500081	-	150	-98.48	9.46	325.03	-	20.65	-5.95	-3.85	-9.81	Nil

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

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition/ guarantee	Time period for which it is made/given	Rate of interest	Date of maturity	For loans	
							(₹ in Millions)	(₹ in Millions)
(1)	(2)	(3)	(4)	(5)	(6)	(7)		
Nil	Nil	Nil	Nil	Nil	Nil	Nil		

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-

**Santosh Varalwar**  
Managing Director

Sd/

**Manohar Rao Varalwar**  
Whole time Director

Place: Hyderabad  
Date: 13-01-2023



## ANNEXURE - 2 TO BOARD'S REPORT

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

- A. Ratio of remuneration of each Director to the median remuneration of all the employees of your company for the Financial year 2020-21 is as follows:

Name of Director(s)	Total Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
Santosh Varalwar	97,50,002	53.21
Manohar Rao Varalwar	60,00,004	32.74
Sandeep Varalwar	85,00,002	46.39
Subhash Varalwar	2,50,000	1.36
Prof M Bhagvanth Rao*	2,50,000	1.36
Umanath Varahabhotla	6,50,000	3.55
Hari Gopal Jamalapuram	5,50,000	3.00

**Notes:**

- \*Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020.
  - The information provided above is on standalone basis.
  - The remuneration of Non-Executive Directors is sitting fees paid to them for the financial year 2020-21
  - Median remuneration of the Company for all its employees is ₹1,83,240/- for the financial year 2020-21.
  - The remuneration to Directors is within the overall limits approved by the shareholders of your Company.
- B. Details of percentage increase in the remuneration of each Director and CEO, CFO & Company Secretary in the financial year 2020-21 are as follows:

Name(s)	Designation	Remuneration (in ₹)		Increase (in %)
		2020-21	2019-20	
Santosh Varalwar	Managing director	97,50,002	60,00,004	62.50
Manohar Rao Varalwar	Whole-time director	60,00,004	60,00,004	0
Sandeep Varalwar	Whole-time director	85,00,002	60,00,004	41.67
Prof M Bhagvanth Rao	Director	2,50,000	3,25,000	(38.46)
Subhash Varalwar	Non Executive Director	2,50,000	1,75,000	42.86
Umanath Varahabhotla	Independent Director	6,50,000	3,00,000	116.67
Hari Gopal Jamalapuram	Independent Director	5,50,000	25,000	2,100.00
Ramesh Krishnamurthy*	CEO cum CFO	1,25,00,000	-	-
Yugandhar Kopparthi	Company Secretary	30,56,300	28,20,000	8.37

**Note:** \* Mr. Ramesh Krishnamurthy, has been appointed as CEO w.e.f 01-06-2020

- C. Percentage increase/decrease in the median remuneration of all employees in the financial year 2020-21:

	2020-21	2019-20	Decrease (in %)
Median remuneration of all employees per annum	1,83,240	2,29,200	(20.05)

(Amount in ₹)

**D. Number of permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2021:**

Executive/Manager cadre	241
Staff	300
Operators/Workmen	116
<b>Total</b>	<b>657</b>

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

The decrease in average remuneration of all employees in the financial year 2020-21 as compared to the financial year 2019-20 was (20.05)%.

The key indices of Company's performance are:

	2020-21	2019-20	Growth (%)
Net Revenue from operations	2,161.20	2,831.40	(0.24)
Profit Before Tax and Exceptional Items	(235.13)	(207.39)	(0.14)
Profit After Tax	(232.79)	(191.69)	(0.22)

(₹ in millions)

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

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

The Profit Before Tax and Exceptional Items decreased by (0.14)% in 2020-21, compared to 2019-20.

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

**G. Details of Share price and market capitalization:**

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

	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020	Increase/ (decrease) (%)
Price Earnings Ratio	(4.51)	(3.14)	(43.63)
Market Capitalization (₹ In millions)	1314.18	599.13	119.35

Comparison of share price at the time of first public offer and market price of the share of 31<sup>st</sup> March, 2021:

Market Price as on 31 <sup>st</sup> March, 2021	15.85
Price at the time of initial public offer in 2005 (converted to price of each share for face value of ₹2/- each)	14.00
% increase of market price over the price at the time of initial public offer	13.21

**Note:** Closing share price on the BSE Limited (BSE) has been used for the above tables.





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

	2020-21 (₹)	2019-20 (₹)	Increase (%)	
Average salary of all employees (other than Key Managerial Personnel)	3,17,662	3,92,876	(19.14)	
<b>Key Managerial Personnel</b>				
Santosh Varalwar	Managing director	97,50,002	60,00,004	62.50
Manohar Rao Varalwar	Whole-time director	60,00,004	60,00,004	0
Sandeep Varalwar	Whole-time director	85,00,002	60,00,004	41.67
Ramesh Krishnamurthy*	CEO cum CFO	1,25,00,000	-	-
Yugandhar Kopparthi	Company Secretary	30,56,300	28,20,000	8.37

**Note:** \* Mr. Ramesh Krishnamurthy, has been appointed as CEO w.e.f 01-06-2020

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

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

Following are major principles for determining remuneration to the Directors:

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

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

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

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

- L. List of employees of your Company employed throughout the financial year 2020-21 and were paid remuneration not less than ₹60 lakhs per annum

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Santosh Varalwar	Managing director	97,50,002	Management Graduate	35	09-11-1989	59	Shipping Corporation of India
Manohar Rao Varalwar	Whole-time director	60,00,004	post-graduation in Veterinary Sciences	32	10-11-1994	85	Department of Animal Husbandry, Government of Andhra Pradesh

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Sandeep Varalwar	Whole-time director	85,00,002	Graduation in B.Pharmacy	26	23-01-2008	52	V V S Pharmaceuticals & Chemicals Pvt Ltd.
Ramesh Krishnamurthy*	CEO cum CFO	1,25,00,000	MBA(IIM)	25	01-06-2020	54	Unilever Industries Pvt Limited

**Notes:**

1. Shri Santosh Varalwar, Shri. Manohar Rao Varalwar, and Shri. Sandeep Varalwar (Directors) are relatives to each other.
2. The contractual terms of Shri. Santosh Varalwar, Shri. Manohar Rao Varalwar, and Shri. Sandeep Varalwar (Directors) are governed by the resolutions passed by the shareholders in the 32<sup>nd</sup> AGM of your Company held on 30<sup>th</sup> December, 2020.
3. The above mentioned Directors are part of the promoter group and holding (Along with other promoters and persons acting in concert with them) 2,36,89,927 shares of ₹2/- each 28.57% to the total paid up capital) of your Company.
4. Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.
5. \*Mr. Ramesh Krishnamurthy, has been appointed as CEO w.e.f 01-06-2020

M. Employees employed for the part of the year and were paid remuneration during the financial year 2020-21 at a rate which in aggregate was not less than ₹5 lakhs per month:

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Ramesh Krishnamurthy	CEO cum CFO	1,25,00,000	MBA(IIM)	25	01-06-2020	54	Unilever Industries Pvt Limited

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Santosh Varalwar**  
Managing Director

Sd/  
**Manohar Rao Varalwar**  
Whole time Director

Place: Hyderabad  
Date: 13-01-2023



Vivimed

## ANNEXURE - 3 TO BOARD'S REPORT

### Independent Auditors' Certificate on Implementation of Share Based Employee Benefit Scheme

To,  
The Board of Directors  
Vivimed Labs Limited  
PlotNo.78/A, Kolhar Industrial Area,  
Bidar – 585403, Karnataka 1

Independent Auditors' certificate on implementation of Share Based Employee Benefit Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms of resolution of the Company passed in the general meeting.

1. This Certificate is issued in accordance with the terms of our engagement letter with Vivimed Labs Limited ('the Company') dated 13-02-2021.

#### Management's Responsibility

2. The Company's management is solely responsible for ensuring that the Company's Share Based Employee Benefit Scheme ('Scheme') has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ('SEBI Regulations') and the terms of the resolutions passed by the Company in the general meeting.
3. The Management of the Company is also responsible for the preparation of the financial statements including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

4. We, P C N & ASSOCIATES, the statutory auditors of the Company have been requested by the Management of the Company to certify that the Company has complied with the SEBI Regulations in relation to the Vivimed Labs Limited Employees Stock Option Plan 2010 approved by the Company at their general meeting held on 18<sup>th</sup> September, 2010 and Employees Stock Option Plan 2017 at their general meeting held on 29<sup>th</sup> September, 2017.
5. Based on this information and pursuant to the requirements of the SEBI Regulations, it is our responsibility to certify that the Company's Scheme have been implemented in accordance with the SEBI Regulations and are in accordance with the terms of the resolution passed by the Company in the general meeting.
6. For the purpose of this certificate, we have relied on the audited standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 and information and documents as made available to us by the Company.
7. We have verified the books of account and other records maintained in relation to the Scheme by the Company on a test check basis. We have also obtained appropriate representation from the Company's management.
8. The audited standalone financial statements referred to in paragraph 6 above have been audited by us, on which we issued an unmodified audit opinion vide our report dated 28<sup>th</sup> June, 2021. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement

9. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

11. Based on the examination carried out by us and the information and explanation provided to us, we certify, to best of our knowledge and belief, that the Vivimed Labs Limited Employees Stock Option Plan 2017 approved at their general meeting held on 29<sup>th</sup> September, 2017 have been implemented in accordance with the provisions of the SEBI Regulations and relevant amendments from time to time and in accordance with the terms of the aforesaid resolutions passed by the Company.

### Restriction on Use

12. This Certificate has been issued to the Company for placing before the Company's shareholders at its annual general meeting and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Date: 09-01-2023

Place: Hyderabad

for **P C N & ASSOCIATES.,**

*Chartered Accountants*

Firm registration Number: 016016S

**Sd/-**

**K.Gopala Krishna**

*Partner*

Membership Number: 203605

UDIN : 23203605BGRTKX5132



Vivimed

## ANNEXURE - 4 TO BOARD'S REPORT

### Form No. MR – 3 Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March, 2021

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

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

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by Vivimed Labs Limited (hereinafter called 'the Company') for the financial year ended 31<sup>st</sup> March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2021 complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2021 according to the provisions of:

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

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as there was no reportable event during the financial year under review;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable as there was no reportable event during the financial year under review; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the following laws applicable specifically to the Company:
- a. The Environment (Protection) Act, 1986 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
  - b. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and
  - c. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.
  - d. Drugs (Control) Act, 1950
  - e. Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945
  - f. Narcotic Drugs and Psychotropic Substances Act, 1985
  - g. The Food Safety and Standards Act, 2006
  - h. The Indian Boilers Act, 1923

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

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

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

We further report that:

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

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

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



## Vivimed

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

- (i) During the current financial year the (1) Vivimed Specialty Chemicals Private Limited (Country - India) (2) UQUIFA Sciences (Mascarene) Ltd. (Country - Mauritius) (3) Uquifa Sciences UK Ltd (formerly Vivimed Labs UK Ltd. (country - United Kingdom) (4) UQUIFA S.A(formerly Vimed Labs Spain S.L.), (country - Spain) (5) Union Quimico Farmaceutica S. A.U (country - Spain) (6) Holliday International Limited UK (country - United Kingdom) (7) Uquifa Mexico S.A de. C.V (country - Mexico) (8) Soneas Chemicals Ltd (country - Hungary) (9) Soneas Research Ltd (country - Hungary) (10) UQUIFA India Private Ltd (country - India) have ceased to be the subsidiary(ies)/step-down subsidiary(ies) of the Company.

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.

**Sd/-**  
**NVSS Suryanarayana Rao**  
**Company Secretary in practice**  
**ACS No.5868**  
**CP NO.2886**  
**UDIN number A005868C000488053**

Place: Hyderabad,

Date: 19-06-2021

## Annexure A

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

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

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

**Sd/-**  
**NVSS Suryanarayana Rao**  
**Company Secretary in practice**  
**ACS No.5868**  
**CP NO.2886**  
**UDIN number A005868C000488053**

Place: Hyderabad,  
Date: 19-06-2021





## ANNEXURE - 5 TO BOARD'S REPORT

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

#### Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

#### Particulars of conservation of energy

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

#### Power and Fuel Consumption

Particulars	FY 2020-21	FY 2019-20
<b>1. Electricity</b>		
Unit (KWH) (in Mn)	6.24	6.63
Total amount (₹ in Mn)	50.40	55.44
Average rate/Unit (₹)	8.07	8.36
<b>2. Own generation from Diesel generator set</b>		
Unit (KWH)(in Mn)	0.28	0.61
Total amount (₹ in Mn)	10.04	12.15
Average rate/Unit (₹)	35.26	20.02
<b>3. Coal</b>		
Quantity (MT)	2,147.33	2,099.91
Total cost (₹ in Mn)	15.59	14.30
Average rate/MT (₹)	7,258.31	6,808.07

#### Consumption per unit of production

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

### Technology absorption

#### Particulars of absorption

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

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

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

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

### 3. Imported technology:

#### → Research and Development (R&D)

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

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

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

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

#### → Benefits derived as a result of the above R & D

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

#### → Future plan of action

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

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

### Expenditure incurred on Research and Development

Particulars	₹ In million)	
	FY 2020-21	FY 2019-20
Capital	-	
Revenue	264.37	419.34
<b>Total</b>	<b>264.37</b>	<b>419.34</b>

### Foreign exchange earnings and Outgo

Particulars	₹ In million)	
	FY 2020-21	FY 2019-20
Foreign Exchange Earnings	356.51	744.63
Foreign Exchange Outgo	312.19	770.22

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Santosh Varalwar**  
Managing Director

Sd/  
**Manohar Rao Varalwar**  
Whole time Director

Place: Hyderabad  
Date: 13-01-2023



## ANNEXURE - 6 TO BOARD'S REPORT

### Extract of Annual Return as on 31<sup>ST</sup> March, 2021 Form No. MGT-9

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

#### I. Registration & Other Details

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

#### II. Principal Business Activities of the Company

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

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

### III. Particulars of Holding, Subsidiary and Associate Companies

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

SN	Name and address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Finoso Pharma Pvt Ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	U24231TG2009PTC064774	Subsidiary	a) 3015000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)
2	Vivimed Holdings Limited Rooms 2702-03, 27/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong	Not Applicable	Subsidiary	a) 10,000 equity shares held by Vivimed Labs Limited b) HK \$ 1 each c) 100% held by Vivimed Labs Limited	2(87)
3	Vivimed Labs USA INC. 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	Not Applicable	Subsidiary	a) 1000 b) US \$ 0.01 each c) 100% held by Vivimed Labs Limited	2(87)
4	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	Not Applicable	Subsidiary	a) 90,00,000 equity shares b) US \$ 1 each c) 100% held by Vivimed Labs Limited	2(87)
<b>Associates</b>					
1	Yantra Green Power Pvt. Ltd Plot No.1303 and 1304, Sy. No.11/27, Second Floor, Khanamet, Hi-Tech City, Ayyappa Society, Madhapur, Hyderabad, Telangana	U40108TG2013PTC087049	Associate	2500000 shares of ₹10 each 35.66% held by Vivimed Labs Ltd	2(6)



## VI. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 <sup>st</sup> March, 2020] @ ₹2/- each			No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2021] @ ₹2/- each #			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,48,77,927	-	1,48,77,927	17.94	1,29,77,927	-	1,29,77,927	15.65	(2.29)
b) Central Govt	0	-	0	0.00	0	-	0	0.00	0.00
c) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0.00
d) Bodies Corp.	1,23,12,000	-	1,23,12,000	14.85	1,07,12,000	-	1,07,12,000	12.92	(1.93)
e) Banks / FI	0	-	0	0.00	0	-	0	0.00	0.00
f) Any other	0	-	0	0.00	0	-	0	0.00	0.00
<b>Total shareholding of Promoter (A)</b>	<b>2,71,89,927</b>	<b>-</b>	<b>2,71,89,927</b>	<b>32.79</b>	<b>2,36,89,927</b>	<b>-</b>	<b>2,36,89,927</b>	<b>28.57</b>	<b>(4.22)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	-	0	0.00	0	-	0	0.00	0.00
b) Banks / FI	50	-	50	0.00	0	-	0	0.00	0.00
c) Central Govt	96,130	-	96,130	0.12	96,130	-	96,130	0.12	0.00
d) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0.00
e) Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0.00
f) Insurance Companies	0	-	0	0.00	0	-	0	0.00	0.00
g) FIs	0	-	0	0.00	0	-	0	0.00	0.00
h) Foreign Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0.00
i) Others (specify) - Foreign Portfolio Investor	29,48,973	-	29,48,973	3.56	25,69,265	-	25,69,265	3.10	(0.46)
<b>Sub-total (B) (1):-</b>	<b>30,45,153</b>	<b>-</b>	<b>30,45,153</b>	<b>3.67</b>	<b>26,65,395</b>	<b>-</b>	<b>26,65,395</b>	<b>3.22</b>	<b>(0.45)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	63,78,867	-	63,78,867	7.69	45,55,069	-	45,55,069	5.49	(2.22)
ii) Overseas	91,50,685	-	91,50,685	11.04	88,10,562	-	88,10,562	10.63	(0.77)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	2,43,81,172	3,18,370	2,45,72,042	29.64	3,09,04,130	2,43,370	3,10,20,000	37.41	7.77
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	69,09,752	-	69,09,752	8.33	62,20,127	-	62,20,127	7.50	(0.83)
c) Others (specify)-									
NBFCs Registered with RBI	0	-	0	0.00	0	-	0	0.00	0.00
Non Resident Indians	41,11,706	-	41,11,706	4.96	40,05,376	-	40,05,376	4.83	(0.13)
Foreign Nationals	-	13,69,840	13,69,840	1.65	-	13,69,840	13,69,840	1.65	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 <sup>st</sup> March, 2020] @ ₹2/- each			No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2021] @ ₹2/- each #			% Change in during the year
	Demat	Physical	Total Shares	Demat	Physical	Total Shares	
Clearing Members	1,81,993	-	1,81,993	5,73,619	-	5,73,619	0.69
Trusts	4,000	-	4,000	4,000	-	4,000	0.00
Foreign Bodies - D R	0	-	0	0	-	0	0.00
<b>Sub-total (B)(2):-</b>	<b>5,26,78,885</b>	<b>16,88,210</b>	<b>5,40,48,725</b>	<b>5,49,45,383</b>	<b>16,13,210</b>	<b>5,49,45,383</b>	<b>67.27</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5,40,35,778</b>	<b>16,88,210</b>	<b>5,70,93,878</b>	<b>5,76,10,778</b>	<b>16,13,210</b>	<b>5,76,10,778</b>	<b>69.48</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>8,12,25,705</b>	<b>16,88,210</b>	<b>8,29,13,915</b>	<b>8,13,00,705</b>	<b>16,13,210</b>	<b>8,29,13,915</b>	<b>100.00</b>

## B. Shareholding of Promoter-

SN	Shareholder's Name	% of Shares Pledged / encumbered to total shares			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2021) @ ₹2/- each			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	BBR Projects Private Limited	1,23,12,000	14.85	7.18	1,07,12,000	12.92	5.25	(1.93)
2	Santosh Varalwar	55,99,050	6.75	5.40	36,99,050	4.46	3.11	(2.29)
3	Varalwar Sandeep	18,75,647	2.26	1.68	18,75,647	2.26	0.60	0
4	Manohar Rao Varalwar	12,94,225	1.56	1.39	12,94,225	1.56	1.40	0
5	Sujatha Varalwar	18,93,995	2.28	2.28	18,93,995	2.28	2.28	0
6	Vithabai Varalwar	9,73,345	1.18	1.14	9,73,345	1.17	1.15	(0.01)
7	Varalwar Subhash	16,16,200	1.95	1.50	16,16,200	1.95	1.50	0
8	Sheetal Varalwar	5,68,985	0.69	0	5,68,985	0.69	0	0
9	S Raghunandan	3,17,500	0.38	0	3,17,500	0.38	0	0
10	Vijaykumar Varalwar	1,50,000	0.18	0	1,50,000	0.18	0	0
11	Madhavi Varalwar	2,00,000	0.24	0	2,00,000	0.24	0	0
12	Mamatha Gurnukar	1,50,000	0.18	0.18	1,50,000	0.18	0.18	0
13	Varalwar Padma	33,250	0.04	0	33,250	0.04	0	0
14	Neelima Vijaya Varalwar	1,00,000	0.12	0	1,00,000	0.12	0	0
15	Satish Gooty Agraharam	55,635	0.07	0	55,635	0.07	0	0
16	Chandra Shekharrao Sudigali	50,095	0.06	0	50,095	0.06	0	0
		<b>2,71,89,927</b>	<b>32.79</b>	<b>20.75</b>	<b>2,36,89,927</b>	<b>28.56</b>	<b>15.49</b>	<b>(4.23)</b>

\* The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of your Company.  
The term 'encumbrance' has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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

SN	Particulars	Shareholding			Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2020 to 31-03-2021)	
		No. of Shares at the beginning (01-04-2020) / end of the year (31-03-2021)	% of total Shares of the Company	No. of Shares				% of total Shares of the Company	
1	BBR Projects Private Limited	1,23,12,000	14.85	01-04-2020	-	-	1,23,12,000	14.85	
		1,23,12,000	14.85	19-02-2021	(16,00,000)	Sale/ Transfer	1,07,12,000	12.92	
		1,07,12,000	12.92	31-03-2021	-	-	1,07,12,000	12.92	
2	Neelima Vijaya Varalwar	1,00,000	0.12	01-04-2020	-	-	1,00,000	0.12	
		1,00,000	0.12	31-03-2021	-	-	1,00,000	0.12	
3	Vijaykumar Varalwar	1,50,000	0.18	01-04-2020	-	-	1,50,000	0.18	
		1,50,000	0.18	31-03-2021	-	-	1,50,000	0.18	
4	Varalwar Subhash	16,16,200	1.95	01-04-2020	-	-	16,16,200	1.95	
		16,16,200	1.95	31-03-2021	-	-	16,16,200	1.95	
5	Madhavi Varalwar	2,00,000	0.24	01-04-2020	-	-	2,00,000	0.24	
		2,00,000	0.24	31-03-2021	-	-	2,00,000	0.24	
6	Vithabai Varalwar	9,73,345	1.18	01-04-2020	-	-	9,73,345	1.18	
		9,73,345	1.17	31-03-2021	-	-	9,73,345	1.17	
7	Varalwar Sandeep	18,75,647	2.26	01-04-2020	-	-	18,75,647	2.26	
		18,75,647	2.26	31-03-2021	-	-	18,75,647	2.26	
8	Santosh Varalwar	55,99,050	6.75	01-04-2020	-	-	55,99,050	6.75	
		55,99,050	6.75	19-02-2021	(19,00,000)	Sale/ Transfer	36,99,050	4.46	
		36,99,050	4.46	31-03-2021	-	-	36,99,050	4.46	
9	Manohar Rao Varalwar	12,94,225	1.56	01-04-2020	-	-	12,94,225	1.56	
		12,94,225	1.56	31-03-2021	-	-	12,94,225	1.56	
10	Mamatha Gurnukar	1,50,000	0.18	01-04-2020	-	-	1,50,000	0.18	
		1,50,000	0.18	31-03-2021	-	-	1,50,000	0.18	
11	Satish Gooty Agraharam	55,635	0.07	01-04-2020	-	-	55,635	0.07	
		55,635	0.07	31-03-2021	-	-	55,635	0.07	
12	Sujatha Varalwar	18,93,995	2.28	01-04-2020	-	-	18,93,995	2.28	
		18,93,995	2.28	31-03-2021	-	-	18,93,995	2.28	
13	Sheetal Varalwar	5,68,985	0.69	01-04-2020	-	-	5,68,985	0.69	
		5,68,985	0.69	31-03-2021	-	-	5,68,985	0.69	
14	Varalwar Padma	33,250	0.04	01-04-2020	-	-	33,250	0.04	
		33,250	0.04	31-03-2021	-	-	33,250	0.04	
15	S Raghunandan	3,17,500	0.38	01-04-2020	-	-	3,17,500	0.38	
		3,17,500	0.38	31-03-2021	-	-	3,17,500	0.38	
16	Chandra Shekharrao Sudigali	50,095	0.06	01-04-2020	-	-	50,095	0.06	
		50,095	0.06	31-03-2021	-	-	50,095	0.06	

**D. Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	<b>KITARA PIIN 1102</b>				
	At the beginning of the year	91,50,685	11.04	91,50,685	11.04
	Bought during the year	0	0	0	0
	Sold during the year	3,40,123	0.41	3,40,123	0.41
	At the end of the year	88,10,562	10.63	88,10,562	10.63
2	<b>WILLIAM F HARVEY</b>				
	At the beginning of the year	13,69,840	1.65	13,69,840	1.65
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	13,69,840	1.65	13,69,840	1.65
3	<b>SAMEER MAHENDRA SAMPAT</b>				
	At the beginning of the year	13,59,165	1.64	13,59,165	1.64
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	13,59,165	1.64	13,59,165	1.64
4	<b>TUSHAR RAMESHCHANDRA MEHTA</b>				
	At the beginning of the year	12,43,486	1.49	12,43,486	1.49
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	12,43,486	1.49	12,43,486	1.49
5	<b>KITARA PIIN 1101</b>				
	At the beginning of the year	12,19,300	1.47	12,19,300	1.47
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	12,19,300	1.47	12,19,300	1.47
6	<b>BIPIN DHARAMSEY NENSEY</b>				
	At the beginning of the year	3,99,245	0.48	3,99,245	0.48
	Bought during the year	3,03,815	0.36	3,03,815	0.36
	Sold during the year	-	-	-	-
	At the end of the year	7,03,060	0.84	7,03,060	0.84





Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	<b>Ambit Finvest Private Limited</b>				
	At the beginning of the year	6,13,195	0.74	6,13,195	0.74
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	6,13,195	0.74	6,13,195	0.74
8	<b>Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund</b>				
	At the beginning of the year	6,00,000	0.73	6,00,000	0.73
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	6,00,000	0.73	6,00,000	0.73
9	<b>Aakarshan Tracom Private Limited</b>				
	At the beginning of the year	5,95,000	0.72	5,95,000	0.72
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	5,95,000	0.72	5,95,000	0.72
10	<b>Sumatiprakash Madanlal Jain</b>				
	At the beginning of the year	5,80,133	0.69	5,80,133	0.69
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	5,80,133	0.69	5,80,133	0.69

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

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

## 1. DIRECTORS

Sl. No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
		No. of Shares at the beginning (01.04.2020) / end of the year (31.03.2021)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Manohar Rao Varalwar	12,94,225	1.56	01-04-2020	-	-	12,94,225	1.56
		12,94,225	1.56	31-03-2021	-	-	12,94,225	1.56
2	Santosh Varalwar	55,99,050	6.75	01-04-2020	-	-	55,99,050	6.75
		55,99,050	6.75	19-02-2021	(19,00,000)	Sale/ Transfer	36,99,050	4.46
		36,99,050	4.46	31-03-2021	-	-	36,99,050	4.46
3	Varalwar Subhash	16,16,200	1.95	01-04-2020	-	-	16,16,200	1.95
		16,16,200	1.95	31-03-2021	-	-	16,16,200	1.95
4	Varalwar Sandeep	18,75,647	2.26	01-04-2020	-	-	18,75,647	2.26
		18,75,647	2.26	31-03-2021	-	-	18,75,647	2.26

## 2. DIRECTORS

SN	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2020 to 31-03-2021)	
		No. of Shares at the beginning (01-04-2020) / end of the year (31-03-2021)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Ramesh Krishnamurthy	-	-	01-04-2020	-	-	-	-
		-	-	31-03-2021	-	-	-	-
2	Yugandhar Kopparthi	-	-	01-04-2020	-	-	-	-
		-	-	31-03-2021	-	-	-	-



## V) Indebtedness -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	(₹ In Millions)				Total Indebtedness
	Secured Loans excluding deposits	Unsecured Loans	Deposits		
<b>Indebtedness at the beginning of the financial year (As on 01.04.2020)</b>					
i) Principal Amount	1,028.18	1,028.18	-	-	
ii) Interest due but not paid	113.72	-	-	-	113.72
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,141.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,141.90</b>
<b>Change in Indebtedness during the financial year</b>					
• Addition	-	-	-	-	-
• Reduction	0.03	-	-	-	0.03
<b>Net Change</b>	<b>(0.03)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.03)</b>
<b>Indebtedness at the end of the financial year (As on 31.03.2021)</b>					
i) Principal Amount	1,020.08	-	-	-	1,020.08
ii) Interest due but not paid	121.79	-	-	-	121.79
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,141.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,141.87</b>

## VI) Remuneration of Directors and Key Managerial Personnel -

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Dr. V. Manohar Rao	Santosh Varalwar	Sandeep Varalwar	
1	Gross salary (excluding Commission)				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,004	97,50,002	85,00,002	2,42,50,008
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>60,00,004</b>	<b>97,50,002</b>	<b>85,00,002</b>	<b>2,42,50,008</b>
	<b>Ceiling as per the Act</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>3,60,00,000</b>

\* Remuneration paid to the Managing Director & Other Whole time Directors is within the ceiling provided under Resolutions passed in general meeting. (As per schedule V of Companies act 2013).

**B. Remuneration to other directors****1. Independent Directors:**

Name of Director	Fee for attending board / committee meetings	Commission	Others#	Total
Bhagvanth Rao Mamidpalli*	2,50,000	-	-	2,50,000
Umanath Varahabhotla	6,50,000	-	-	6,50,000
Hari Gopal Jamalapuram	5,50,000	-	-	5,50,000
<b>Total</b>	<b>14,50,000</b>	<b>-</b>	<b>-</b>	<b>14,50,000</b>
<b>Ceiling as per the Act</b>	<b>42,00,000</b>	<b>-</b>	<b>-</b>	<b>42,00,000</b>

Notes: \* Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30.11.2020.

**2. Non-Executive Directors:**

Name of Director	Fee for attending board / committee meetings	Commission	Others	Total
Subash Varalwar	2,50,000	-	-	2,50,000
<b>Total</b>	<b>2,50,000</b>	<b>-</b>	<b>-</b>	<b>2,50,000</b>
<b>Ceiling as per the Act</b>	<b>10,00,000</b>	<b>-</b>	<b>-</b>	<b>10,00,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		K.Yugandhar Company Secretary	Ramesh Krishnamurthy (CEO cum CFO)*	
1	Gross salary	30,56,300	1,25,00,000	1,55,56,300
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	- as % of profit	-	-	-
	Others, please specify	-	-	-
	<b>Total</b>	<b>30,56,300</b>	<b>1,25,00,000</b>	<b>1,55,56,300</b>

Note: \* Mr. Ramesh Krishnamurthy, has been appointed as CEO w.e.f 01.06.2020

**VII. Penalties / Punishment/ Compounding of Offences -**

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

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Santosh Varalwar**  
Managing Director

Sd/  
**Manohar Rao Varalwar**  
Whole time Director

Place: Hyderabad  
Date: 13-01-2023



## ANNEXURE - 7 TO BOARD'S REPORT

### Corporate Social Responsibility (CSR) Activities

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

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

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

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

#### 2. Composition of the CSR Committee

Name of the Member(s)	Nature of Directorship
Mrs. Umanath Varahabhotla	Independent, Non- Executive
Dr. V. Manohar Rao	Non Independent, Executive / Promoter
Mr. Santosh Varalwar	Non Independent, Executive / Promoter

3. Average Net Profit of the Company for last 3 financial years: ₹(1.25) Millions

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

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

a. Total amount spent for the financial year: NIL

b. Amount unspent, if any: ₹ NIL

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

(₹ in Millions)

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

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report: The Company is evaluating various proposals to ensure CSR funds are optimally utilized.

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

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Santosh Varalwar**  
Managing Director

Sd/  
**Manohar Rao Varalwar**  
Chairman CSR Committee

Place: Hyderabad  
Date: 13-01-2023

## ANNEXURE - 8 TO BOARD'S REPORT

### Disclosure of Particulars of Contracts/Arrangements entered into by the Company Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

(₹ In Millions)

Sl. No.	Party Name	Nature of Transaction	During Apr 2020- March 2021 Debit /(Credit)
1	Finoso Pharma Private Limited	Loans & Advances	6.70
		Purchases	(0.47)
		Sales/Services	48.80
2	Vivimed Labs Europe Limited, UK	Purchases	(4.92)
		Sales/Services	0.13
3	Vivimed Holdings Ltd	Loans & Advances	303.19
4	Vivimed Labs Mauritius Limited	Loans & Advances	2.41
5	Vivimed Labs Spain	Loans & Advances	1.82
6	BBR Green Fields Pvt Ltd	Loans & Advances	18.95
7	Yantra Green Power Pvt Ltd	Purchases	(2.60)
8	Uquifa Mexico S.A. de C.V.	Sales/Services	(0.13)
9	Ms. Tanmayi Varalwar & Ms. Tanisha Varalwar (Relatives of Directors) (Sale of Vivimed Specialty Chemicals Private Limited)	Sale consideration	(0.10)

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Santosh Varalwar**  
Managing Director

Sd/  
**Manohar Rao Varalwar**  
Whole time Director

Place: Hyderabad  
Date: 13-01-2023



Vivimed

# Corporate Governance Report

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended 31<sup>st</sup> March, 2021.

## **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Vivimed Labs Limited (Vivimed/Company) ensures adherence and enforcement of the principles of corporate governance with a focus on transparency, professionalism, fairness and accountability. The Company believes that corporate governance has a role to ensure that the Directors of the Company are subject to their duties, obligations, accountability and responsibilities, to act in the best interest of the Company and to remain accountable to the shareholders and other beneficiaries for their corporate actions. The Company also believes that an active, well informed and independent Board is necessary to ensure the highest standard of corporate governance. At Vivimed, the Board of Directors is at the core of corporate governance and oversees how the management serves and protects the interest of the stakeholders. The Board of Vivimed is responsible for and committed to the sound principles of corporate governance in the Company. Our corporate governance framework ensures that we make timely and transparent disclosures regarding our financials and performance, as well as the leadership and governance of the Company. The Company acknowledges the individual and collective responsibilities to manage the business activities with integrity.

## **APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent in the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established Five Committees to discharge its responsibilities in an effective and efficient manner. The Company Secretary

at Vivimed acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Managing Director (MD) provide overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation of decisions and policies. In the operations and functioning of the Company, the MD is assisted by the Executive Directors/ CEO and a core group of senior level executives.

## **BOARD LEADERSHIP:**

The Board contains 2 Independent Directors (Includes chairman of Board), 3 executive Directors and 1 non-executive non Independent Director as on 31<sup>st</sup> March, 2021. At Vivimed, it is believed that an experienced Board consciously creates a culture of leadership which in turn provides a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. Vivimed is committed to the goal of sustainability and elevating the Company's value creation.

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

## **ETHICS/GOVERNANCE POLICIES:**

At Vivimed, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards and ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Vivimed has adopted various codes and policies to carry out our duties in an ethical manner.

Some of the codes and policies are:

- Criteria for determining materiality of events
- Environment, Health and Safety Policy

- Dividend Policy
- Remuneration Policy
- Archival Policy
- Code for Prohibition of Insider Trading
- Code of Conduct Policy
- Code of Fair Disclosure
- Corporate Social Responsibility Policy
- Familiarization Programmes for Independent Directors
- Policy on Materiality of Subsidiaries
- Related Party Transactions Policy
- Whistle Blower Policy

### COMMITTEES OF THE BOARD:

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

### MANAGEMENT STRUCTURE:

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

### MANAGING DIRECTOR:

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

### CHIEF EXECUTIVE OFFICER:

#### EXECUTIVE MANAGEMENT TEAM (EMT):

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

including effectiveness of the businesses / functions which report to them.

### OPERATING MANAGEMENT TEAM (OMT):

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

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

### BOARD OF DIRECTORS:

Composition of the Board as on 31<sup>st</sup> March, 2021:

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

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

### NUMBER OF BOARD MEETINGS:

During the financial year 2020-21, 7 (Seven) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

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

8 <sup>th</sup> May, 2020	14 <sup>th</sup> November, 2020
25 <sup>th</sup> July, 2020	4 <sup>th</sup> December, 2020
13 <sup>th</sup> August, 2020	13 <sup>th</sup> February, 2021
29 <sup>th</sup> August, 2020	

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





The details of attendance at Board Meetings held either in person or through video conference during the financial year 2020-21 and at the Annual General Meeting (AGM) are detailed below:

Name of the Director	Designation	Number of Board Meetings		Attendance at AGM Held 30 <sup>th</sup> December, 2020
		Held	Attended	
Mr. Santosh Varalwar	Managing Director	7	7	Yes
Mr. Subhash Varalwar	Non Executive Director	7	2	Yes
Dr. Manohar Rao Varalwar	Whole Time Director	7	5	Yes
Prof. Bhagvanth Rao Mamidpalli*	Independent Director	7	4	No
Mr. Sandeep Varalwar	Whole Time Director	7	7	Yes
Mrs. Umanath Varahabhotla	Independent Director	7	7	Yes
Dr. Hari Gopal Jamalapuram	Independent Director	7	7	Yes
Mr. S. Raghunandan *	Whole Time Director	7	1	-

Note: \* Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020 and Mr. S. Rahunandan, Whole Time Director of the Company demised on 25-06-2020,

**SELECTION OF INDEPENDENT DIRECTORS:**

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

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

**LEAD INDEPENDENT DIRECTOR:**

Mrs. Umanath Varahabhotla was elected as the Lead Independent Director by the Independent Directors of the Company. The Lead Independent Director's role is as follows:

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

**INDEPENDENT DIRECTORS:**

Mrs. Umanath Varahabhotla (Independent Director) of your Company have been re-appointed for a tenure of 5 (five) years (up to 37<sup>th</sup> Annual General Meeting to be held in calendar year 2025). Her appointment was approved by the shareholders of your Company at their AGM held on 30<sup>th</sup> December, 2020. Mr. Hari Gopal Jamalapuram (Independent Director) of your Company have been appointed for a tenure of 5 (five) year by the shareholders of your Company through Postal ballot held on 28<sup>th</sup> March, 2020 (up to 36<sup>th</sup> Annual General Meeting to be held in calendar year 2024). The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample Terms of appointment is available on the website of your Company and can be accessed through the following link: <http://www.vivimedlabs.com>.

**INDEPENDENT DIRECTORS' MEETING:**

During the year under review, the Independent Directors met on 31<sup>st</sup> March, 2021, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non-Executive Directors; and

- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

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

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

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

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

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

The meetings are generally held at the Corporate office of the Company at North End Complex, Road No.2, Banjara Hills, Hyderabad-500034.

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

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

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

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The items / matters required to be placed before the Board, inter alia, include:

- Annual operating plans of businesses and budgets including capital budgets and any updates;
- Quarterly results of the Company;
- Company's annual financial results, financial statements, auditors' report and Board's report;
- Minutes of meetings of the Audit Committee and other Committees of the Board;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Quarterly details of foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements, and shareholder's service, such as dividend non-payment, share transfer delay (if any), among others;
- Appointment, remuneration and resignation of Directors;
- Formation/reconstitution of Board Committees;
- Terms of reference of Board Committees;
- Minutes of Board meetings of unlisted subsidiary companies;
- Declaration of Independent Directors at the time of appointment/annually;
- Disclosure of Directors' interest and their shareholding;
- Appointment or removal of the Key Managerial Personnel;
- Appointment of Internal Auditors and Secretarial Auditors;
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors;
- Dividend declaration;



- Significant changes in accounting policies and internal controls;
- Takeover of a company or acquisition of a controlling or substantial stake in another company;
- Issue of securities;
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee;
- Internal Audit findings and External Audit Reports (through the Audit Committee);
- Proposals for major investments, mergers and amalgamations;
- Reports on progress made on the ongoing projects;
- Review the functioning of the subsidiary and joint venture companies;
- Related party transactions;
- Status of business risk exposures, its management and related action plans;
- Making of loans and investment of surplus funds;
- Borrowing of monies, giving guarantees or providing security in respect of loan;
- Brief on statutory developments, changes in government policies, among others with impact thereof;
- Details of litigations, prosecutions etc.;
- Compliance Certificate certifying compliance with all laws as applicable to the Company and
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.

**RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:**

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

**POST MEETING FOLLOW-UP MECHANISM:**

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

**COMPLIANCE:**

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

**NUMBER OF BOARD MEETINGS:**

Seven (7) Board meetings were held during the year, as against the minimum requirement of four meetings. The details of Board meetings held are given below:

Date	Board Strength	No. of Directors Present
8 <sup>th</sup> May, 2020	8	6
25 <sup>th</sup> July, 2020	7	6
13 <sup>th</sup> August, 2020	7	6
29 <sup>th</sup> August, 2020	7	7
14 <sup>th</sup> November, 2020	7	4
4 <sup>th</sup> December, 2020	6	5
13 <sup>th</sup> February, 2021	6	6

**EVALUATION OF THE BOARD EFFECTIVENESS:**

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

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2020-21.

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

Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties.

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

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome

and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The Board of Directors at its meeting held on 31<sup>st</sup> March, 2021, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

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

### DIRECTORSHIP AND MEMBERSHIP ON COMMITTEES:

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

Name of the Director	Nature of Directorships	Relationship with each other	As on 31 <sup>st</sup> March, 2021		
			No. of other Directorships*	Member-ship	Chairman-ship
Mr. Santosh Varalwar DIN – 00054763	Managing Director	Son of Manohar Rao Varalwar, Brother of Sandeep Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Mr. Subhash Varalwar DIN – 00054789	Non-Executive Director	Brother of Manohar Rao Varalwar, Uncle of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Dr. Manohar Rao Varalwar DIN – 00059815	Whole-time Director	Brother of Subhash Varalwar, Father of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Prof. Bhagvanth Rao Mamidpalli*** DIN – 00117862	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mr. Sandeep Varalwar DIN – 01682951	Whole-time Director	Son of Manohar Rao Varalwar, Brother of Santosh Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Mrs. Umanath Varahabhotla DIN – 06539204	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Dr. Hari Gopal Jamalapuram DIN – 08687353	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mr. S. Raghunandan* DIN – 02029812	Whole-time Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil

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

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

\*\*\* Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020 and Mr. S. Raghunandan, Whole-time Director of the Company demised on 25-06-2020



The shareholding of the Non-Executive Directors of your Company as on 31<sup>st</sup> March, 2021 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
Prof. Bhagvanth Rao Mamidpalli*	Non-Executive/ Independent Director	NIL	NIL
Mrs. Umanath Varahabhotla	Non-Executive/ Independent Director	NIL	NIL
Mr. Subhash Varalwar	Non-Executive /Promoter Director	16,16,200	1.96
Dr. Hari Gopal Jamalapuram	Non-Executive/ Independent Director	NIL	NIL

Note: \* Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020.

The shareholding of Executive Directors of your Company as on 31<sup>st</sup> March, 2021 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
Mr. Santosh Varalwar	Managing Director	36,99,050	4.46
Dr. Manohar Rao Varalwar	Whole-time Director	12,94,225	1.56
Mr. Sandeep Varalwar	Whole-time Director	18,75,647	2.26
Mr. S. Raghunandan*	Whole-time Director	3,17,500	0.38

Note: \* Mr. S. Raghunandan, Whole-time Director of the Company demised on 25-06-2020

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

Sl. No.	Name of the Director	Category	Specialisation
1	Mr. Santosh Varalwar	Managing Director	He has around 37 years of experience in General Management, cost efficient, quality complaint pharmaceutical /chemicals products manufacturing and marketing
2	Mr. Subhash Varalwar	Non-Executive Director	He has around 42 years of experience in Production, Quality control and R&D function
3	Dr. Manohar Rao Varalwar	Whole-time Director	He has around 52 years of experience in Administration, Biotechnology, pharmaceutical /chemicals products manufacturing and marketing
4	Mr. Sandeep Varalwar	Whole-time Director	He has more than 29 years of rich experience in manufacturing and marketing divisions of Pharma industry
5	Mrs. Umanath Varahabhotla	Non-Executive/ Independent Director	She has 31 years of experience in Healthcare, Hospital systems management, Corporate Social Responsibility. Creating organizational systems, finance, legal, general administration, processes and SoPs from Conceptualization to Operationalization for piloting and scaling-up of strategically important initiatives.
6	Dr. Hari Gopal Jamalapuram	Non-Executive/ Independent Director	He has more than 27 years experience in General Medical Practice.

### FAMILIARISATION PROGRAM:

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

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

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE:

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

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

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

The Audit Committee, during the financial year 2020-21, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

**The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the Meetings held and attended during the Financial Year ended 31<sup>st</sup> March, 2021 is detailed below:**

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Prof. Bhagvanth Rao Mamidpalli*	Member	5	2
Mrs. Umanath Varahabhotla	Chairperson	5	5
Mr. Sandeep Varalwar	Member	5	5
Dr. Hari Gopal Jamalapuram	Member	5	5

Note: \*Prof. Bhagvanth Rao Mamidpalli, Non-Executive/Independent Director of the Company demised on 30-11-2020.

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

25 <sup>th</sup> July, 2020	4 <sup>th</sup> December, 2020
29 <sup>th</sup> August, 2020	13 <sup>th</sup> February, 2021
14 <sup>th</sup> November, 2020	

The Chairperson of the Audit Committee was present at the last AGM held on 30<sup>th</sup> December, 2020

**The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:**

- Overseeing your Company's financial reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the management quarterly, half-yearly, nine- months and annual financial statements, standalone as well as consolidated before submission to the Board for approval;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
  - Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with the Listing Regulations and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report, if any.
- Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
- Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
  - whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.



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7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve, policy formulated for determination of material subsidiaries;
31. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
32. Any other matter referred to by the Board of Directors.

## NOMINATION AND REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Committee met 3 (Three) times during the financial year 2020-21 on 08.05.2020, 13-08-2020 and 04-12-2020. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Dr. Hari Gopal Jamalapuram	Chairman	3	3
Prof. Bhagvanth Rao Mamidpalli*	Member	3	2
Mrs. Umanath Varahabhotla	Member	3	3
Mr. Subhash Varalwar	Member	3	1

Note: \*Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020.

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

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

1. Formulate a criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees, ESOPs administration, implementation;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term

of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;

6. Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
7. Undertake any other matters as the Board may decide from time to time.

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

The Committee met 1 (One) time during the financial year 2020-21 on 31-03-2021. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Subhash Varalwar	Chairman	1	1
Mr. Santosh Varalwar	Member	1	1
Dr. Manohar Rao Varalwar	Member	1	1
Dr. Hari Gopal Jamalapuram	Member	1	0

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

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





**Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2020-21 are given below:**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

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

The Committee met on 31-03-2021 during the financial year 2020-21. The constitution of the CSR Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Prof. Bhagvanth Rao Mamidpalli*	Member	1	0
Mrs. Umanath Varahabhotla	Member	1	1
Mr. Santosh Varalwar	Member	1	1
Dr. Manohar Rao Varalwar	Member	1	1

Note: \*Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020.

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

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

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

The details of the CSR initiatives of your Company form part of the CSR Section in the Annual Report. The CSR Policy has been

placed on the website of your Company and can be accessed through the following link: <http://www.vivimedlabs.com/investor-relations>.

**DIRECTORS' REMUNERATION:**

**REMUNERATION POLICY**

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

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

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

**REMUNERATION PAID TO THE MANAGING DIRECTOR / WHOLE-TIME DIRECTORS DURING THE FY 2020-21:**

Name of the Director	Salary	Perquisites*	Commission#	(Amount in ₹)
				Amount ₹
Mr. Santosh Varalwar, Managing Director	97,50,002	-	-	97,50,002
Dr. Manohar Rao Varalwar, Whole time Director	60,00,004	-	-	60,00,004
Mr. Sandeep Varalwar, Whole time Director	85,00,001	-	-	85,00,001

**REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS DURING THE FY 2020-21:**

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

Following are the details of sitting fees paid to the Directors for attending Board and Committee meetings during the FY 2020-21:

(Amount in ₹)	
Name of the Director	Sitting fees
Prof. Bhagvanth Rao Mamidpalli,* Independent Director	2,50,000
Mrs. Umanath Varahabhotla, Independent Director	6,50,000
Dr. Hari Gopal Jamalapuram, Independent Director	5,50,000
Mr. Subhash Varalwar, Non Executive Director	2,50,000

Note: \*Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020.

### GENERAL BODY MEETINGS:

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

Year(s)	Location(s)	Meeting(s) Date	Time	No. of special resolution(s) set out at the AGM
2019- 20	Plot No.78/A, Kolhar Industrial Area, Bidar - 585403, Karnataka.	30 <sup>th</sup> December, 2020 (Virtual)	11.30 AM	5
2018- 19	Plot No.78/A, Kolhar Industrial Area, Bidar - 585403, Karnataka.	30 <sup>th</sup> September, 2019	11.30 AM	3
2017- 18	Plot No.78/A, Kolhar Industrial Area, Bidar - 585403, Karnataka.	27 <sup>th</sup> September, 2018	11.30 AM	1

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

### Postal Ballot

During the year, 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 resolution through postal ballot as per the details below:

#### On 14-11-2020:

- To approve dilution in shareholding / change of control of the Company in its Subsidiaries / material subsidiaries

The details of voting pattern for postal ballot are given below:

**Resolution No: 1: To approve dilution in shareholding / change of control of the Company in its Subsidiaries / material subsidiaries - Special resolution**

### VOTES CAST IN FAVOUR OF THE RESOLUTION:

Number of Members Voted through electronic voting system	Number of votes cast in favour the Resolution	Percentage of Total Number of votes cast
96	2,41,72,862	99.916

### VOTES CAST AGAINST THE RESOLUTION:

Number of Members Voted through electronic voting system	Number of votes cast in against the Resolution	Percentage of Total Number of votes cast
25	20,293	0.084

### INVALID VOTES:

Total number of Members whose votes were declared invalid	Total number of invalid votes cast by them
0	0

Shri. N.V.S.S. Rao, Practicing Company Secretary was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

### DISCLOSURES:

#### i) Related Party Transactions

During the year ended 31<sup>st</sup> March, 2021, there were no materially significant related party transactions, which could have potential conflict with the Company's interests at large. Statement in summary form of transactions with related parties is placed before the audit committee for review. All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests. In compliance with regulation 53(f) of the Listing Regulations and the accounting standard 18, transactions with related parties are disclosed in the notes to accounts.

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

Related Party Transaction policy is placed on the Company's website [www.vivimedlabs.com](http://www.vivimedlabs.com)



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

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

**iii) Disclosure of Accounting Treatment**

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

**iv) Whistle Blower policy**

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

Whistle Blower Policy of the Company is placed on the Company website [www.vivimedlabs.com](http://www.vivimedlabs.com).

**v) Board Disclosures -Risk Management**

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

**vi) Subsidiary Companies**

The Company does not have any material un-listed Indian subsidiary company. However, the Company has 3 foreign subsidiaries namely, (i) Vivimed Labs USA, Inc., (ii) Vivimed Labs Mauritius Limited (iii) Vivimed Holdings Limited.

**Subsidiary Companies Monitoring Framework**

All subsidiary companies are Board managed with their respective Boards having the rights and to manage such companies in

the best interest of their stakeholders. The Company monitors performance of subsidiary companies periodically.

**vii) Code of Conduct**

The Company has laid down a "Code of Conduct" for the Directors and the Senior Management Personnel. The code has been posted on the website of the Company. The members of the Board including Independent Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as at 31<sup>st</sup> March, 2021. A declaration to this effect signed by Mr. Santosh Varalwar, Managing Director is given in Annexure to this report.

**viii) MD and CEO cum CFO certification**

The Managing Director and the Chief Executive Officer cum Chief Financial Officer have certified to the Board regarding compliance of matters specified in regulation 17(8) read with Part B of Schedule II of the Listing Regulations and the same forms part of this Corporate Governance Report. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 28.06.2021.

**ix) Compliance Certificate of the PCS**

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

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

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

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

The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended 31<sup>st</sup> March, 2021.

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

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

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

Given below are the details of fees paid to M/s. PCN & Associates, Chartered Accountant, Statutory Auditors of the Company

on a Consolidated basis during the Financial Year ended 31<sup>st</sup> March, 2021:

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

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

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

Sl. No	Particulars	No.
1	Number of complaints on Sexual harassment received during the year	NIL
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on 31 <sup>st</sup> March, 2021	Not Applicable

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

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

**xvi) Familiarisation programmes for Board Members**

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

**xvii) Policy on Material Subsidiaries**

In terms of regulation 16 of the Listing Regulations, the Board of Directors has adopted a policy with regard to determination of Material Subsidiaries. The policy is placed on the website of the Company [www.vivimedlabs.com](http://www.vivimedlabs.com).

**xviii) Related Party Transactions Policy**

In terms of regulation 23 of the Listing Regulations, the Board of Directors has adopted a policy to determine Related Party Transactions. The policy is placed on the website of the Company [www.vivimedlabs.com](http://www.vivimedlabs.com).

**xix) Prevention of Insider Trading**

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

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

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

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

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

**MEANS OF COMMUNICATION:**

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

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



## Vivimed

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

**Annual Report:** The annual report containing, inter alia, audited standalone financial statement, consolidated financial statement, Director's report, auditor's report, corporate governance report and other important information is circulated to members and others entitled thereto.

**Management Discussion and Analysis (MDA) Report:** The report on MDA forms part of the annual report. Disclosures to Stock Exchanges: The Company informs BSE Limited (BSE) and National Stock Exchange of India limited (NSE) all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

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

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

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

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

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

### GENERAL SHAREHOLDER INFORMATION:

#### Company Registration Details

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

#### 33<sup>rd</sup> Annual General Meeting

Date : Friday, 17<sup>th</sup> February, 2023  
Time : 12.30 P.M.

#### Venue :

M/s. Vivimed Labs Limited,  
Registered Office, Plot No.78/A,  
Kolhar Industrial Area, Bidar – 585403, Karnataka.

#### Financial year

1<sup>st</sup> April to 31<sup>st</sup> March

#### Date of Book Closure

Monday, of 13<sup>th</sup> February, 2023 to Friday, of 17<sup>th</sup> February, 2023  
(both days inclusive)

#### Dividend Payment

The Company has not declared any dividend during the year.

#### Listing on Stock Exchanges

Equity Shares

#### BSE Limited (Bombay Stock Exchange)

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

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

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

#### Payment of Listing Fees

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

#### Payment of Depository Fees

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

#### Tentative calendar for financial year ending 31<sup>st</sup> March 2022:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31<sup>st</sup> March, 2022 are as follows:

Results	Tentative Dates
First Quarter	Around Second Week of August, 2021
Second Quarter and Half Yearly	Around Second Week of November 2021
Third Quarter and Nine Months	Around Second Week of February, 2022
Fourth Quarter and Annual	Around Last Week of May, 2022

### Market Price Data

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31<sup>st</sup> March, 2021 are as under:

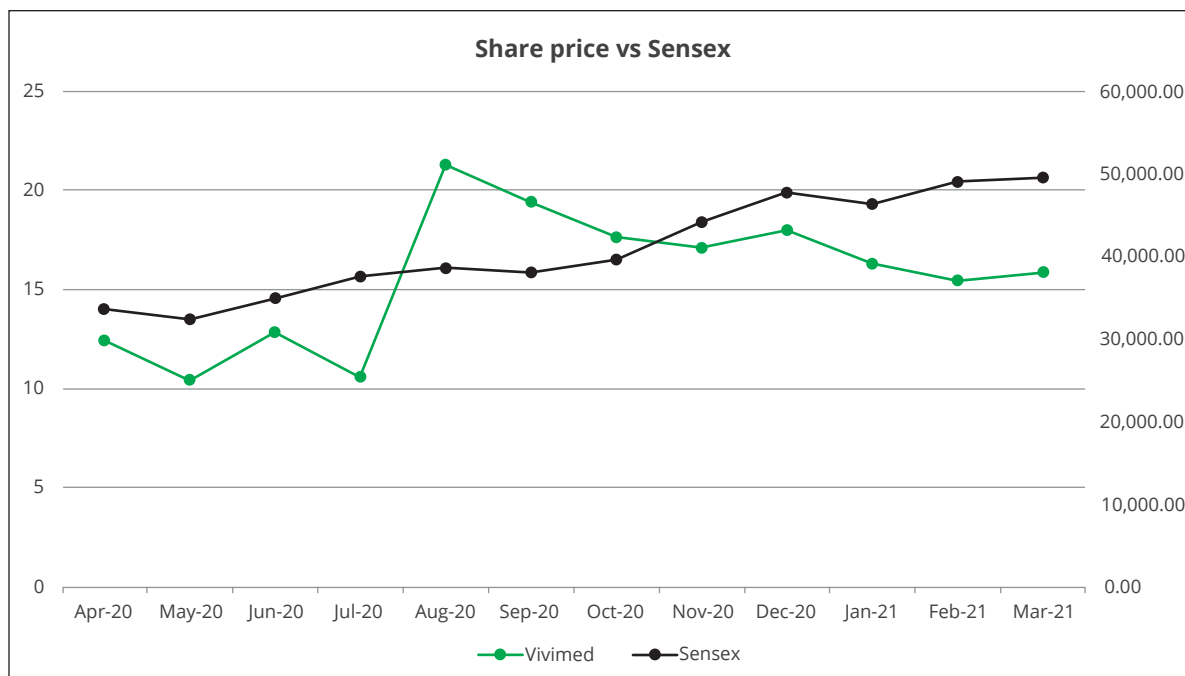
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares) (Lakhs)	High (₹)	Low (₹)	Volume (No. of Shares) (Lakhs)
<b>2020</b>						
Apr-20	17.13	7.36	14.13	16.85	7.25	39.95
May-20	13.04	9.7	2.58	12.40	9.80	11.21
Jun-20	15.7	10.2	8.20	15.75	10.10	41.60
Jul-20	13.48	10.06	4.35	13.75	10.35	13.49
Aug-20	23.62	10.89	43.77	23.35	10.85	81.67
Sep-20	22.15	17.65	11.96	22.10	17.55	40.41
Oct-20	19.55	14.75	11.75	19.80	14.50	48.16
Nov-20	19.45	15.85	8.18	19.40	15.90	44.00
Dec-20	19.35	16.5	1.31	19.35	16.45	53.26
<b>2021</b>						
Jan-21	19.4	16	8.62	19.30	15.85	39.71
Feb-21	20.35	12.9	3.72	20.40	13.05	169.41
Mar-21	22.65	15.6	6.53	22.25	15.75	318.38

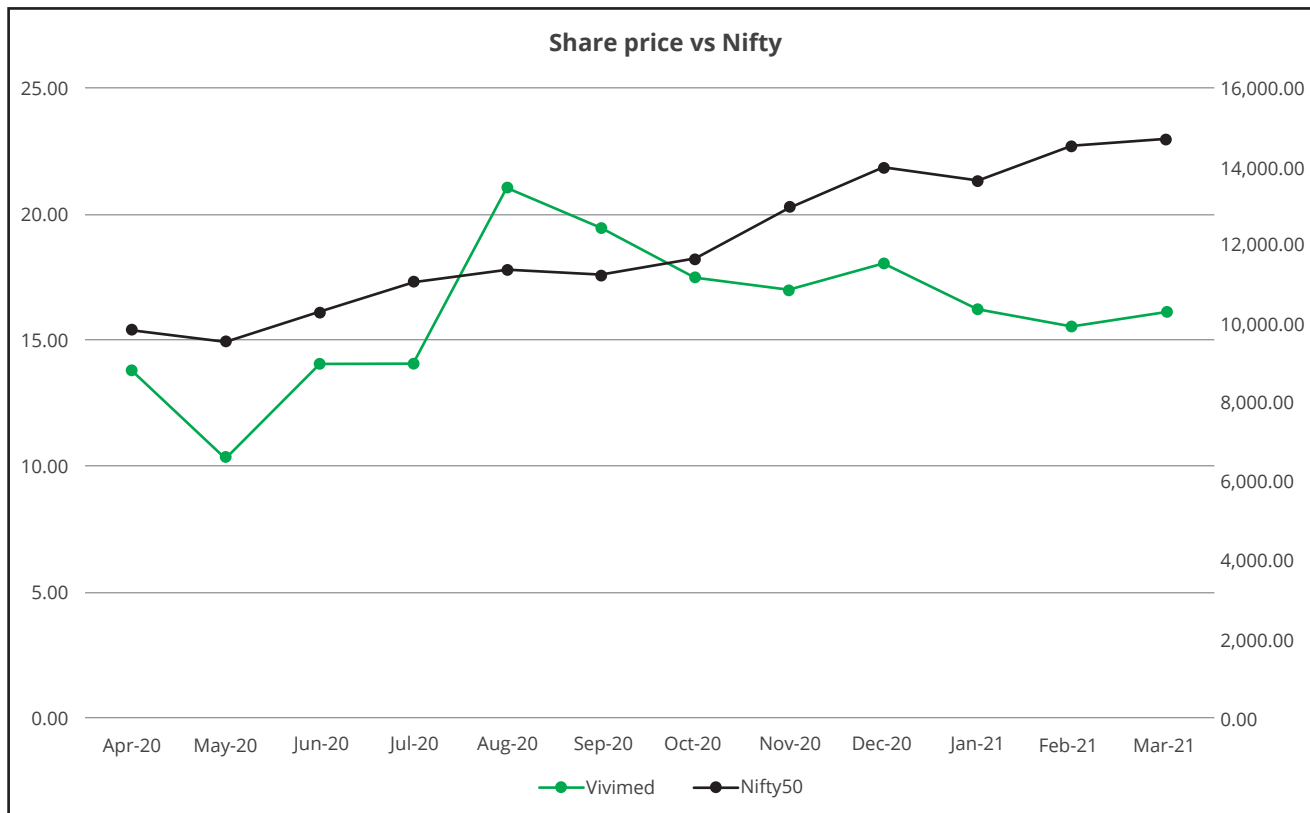
Source: BSE and NSE website

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

### Performance in comparison to broad-based Indices

The Charts below shows the comparison of your Company's share price movement on (i) BSE vis-à-vis the movement of the BSE Sensex (ii) NSE vis-à-vis the movement of the NSE Nifty for the year 2020-21 (based on month end closing):





**Registrar & Share Transfer Agents:**

(for Shares held in both Physical and Demat mode)

Aarthi Consultants Private Limited  
1-2-285, Domalguda, Hyderabad, India – 500029  
Phone : 040-27638111/27634445 Fax : 040-27632184  
Email : info@aarthiconsultants.com;  
website: www.aarthiconsultants.com

**Share Transfer System**

The share transfer activities in respect of the shares in physical mode are carried out by M/s. Aarthi Consultants Private Limited. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., to the designated officials of your Company.

A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations. Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE & NSE.

**Reconciliation of Share Capital**

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

**Distribution of shareholding of shares of your Company as on 31<sup>st</sup> March, 2021 is as follows:**

SI No	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5,000	35,227	92.73	1,44,96,483	2,89,92,966	17.48
2	5,001 - 10,000	1,440	3.79	54,48,204	1,08,96,408	6.57
3	10,001 - 20,000	709	1.87	53,88,789	1,07,77,578	6.50
4	20,001 - 30,000	209	0.55	26,23,034	52,46,068	3.16
5	30,001 - 40,000	108	0.28	19,55,201	39,10,402	2.36
6	40,001 - 50,000	69	0.18	15,80,192	31,60,384	1.91
7	50,001 - 1,00,000	101	0.27	39,99,361	79,98,722	4.82
8	1,00,001 & Above	126	0.33	4,74,22,651	9,48,45,302	57.20
	<b>Total:</b>	<b>37,989</b>	<b>100.00</b>	<b>8,29,13,915</b>	<b>16,58,27,830</b>	<b>100.00</b>

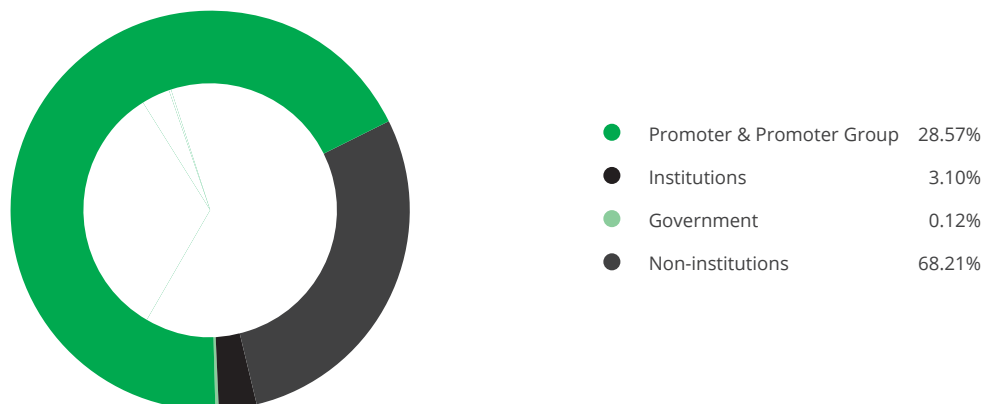
**Shareholding Pattern as on 31<sup>st</sup> March, 2021:**

SI	Category of Shareholder	No of Shareholders	Total Number of shares	shareholding as a percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
a.	Individuals/Hindu Undivided Family	15	1,29,77,927	15.65
b.	Central Government/State Government(s)	0	0	0
c.	Bodies Corporate	1	1,07,12,000	12.92
d.	Financial Institutions/Banks	0	0	0
	<b>Sub Total (A)(1)</b>	<b>16</b>	<b>2,36,89,927</b>	<b>28.57</b>
(2)	Foreign	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>16</b>	<b>2,36,89,927</b>	<b>28.57</b>
(B)	Public Shareholding			
1	Institutions			
a.	Mutual Funds			
b.	Foreign Portfolio Investor	10	25,69,265	3.10
c.	Financial Institutions/Banks	0		
d.	Foreign Institutional Investors	0	0	
2	<b>Sub Total (B)(1)</b>	<b>10</b>	<b>25,69,265</b>	<b>3.10</b>
a.	Central Government/State Government(s)/President of India	1	96,130	0.12
	<b>Sub Total (B)(2)</b>	<b>1</b>	<b>96,130</b>	<b>0.12</b>
3	Non-Institutions			
(a-i)	Individual shareholders holding nominal share capital up to ₹2 lakhs	37,091	3,10,20,000	37.41
(a-ii)	Individual shareholders holding nominal share capital excess ₹2 lakhs	31	62,20,127	7.50
(b)	NBFCs Registered with RBI			
(e-i)	Non-Resident Indian (NRI) - Non Repatriable	165	6,33,977	0.76
(e-ii)	Non-Resident Indian (NRI) - Repatriable	335	33,71,399	4.07
(e-iii)	Corporate Bodies	252	45,55,069	5.49
(e-iv)	Corporate Bodies - Foreign Bodies	1	88,10,562	10.63
(e-ix)	Clearing Member	85	5,73,619	0.69
(e-vii)	Foreign National - FN	1	13,69,840	1.65
(e-viii)	Trust	1	4,000	0.00
	<b>Sub Total (B)(3)</b>	<b>37,962</b>	<b>5,65,58,593</b>	<b>68.21</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>37,973</b>	<b>5,92,23,988</b>	<b>71.43</b>
	<b>Total (A)+(B)</b>	<b>37,989</b>	<b>8,29,13,915</b>	<b>100.00</b>





## Category-wise shareholding:

DETAILS OF YOUR COMPANY'S DEMATERIALIZED SHARES AS ON 31<sup>ST</sup> MARCH, 2021:

Number of shares	% of total shares
8,13,00,705	98.05436

BREAK UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON 31<sup>ST</sup> MARCH, 2021:

Particulars	No. of Shares @ ₹2/- each	% of Shares
Physical segment	16,13,210	1.94564
Demat segment		
NSDL	5,39,33,508	65.04760
CDSL	2,73,67,197	33.00676
<b>TOTAL</b>	<b>8,29,13,915</b>	<b>100.00000</b>

## Dematerialization of shares

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

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

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

Your Company has 25,00,000 (Twenty lakhs) outstanding employee stock options convertible into equity shares of ₹2/- each as on 31<sup>st</sup> March, 2021.

## PLANT LOCATIONS AS ON 31.03.2021:

## SPECIALTY CHEMICALS DIVISION

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

## PLANT LOCATIONS:

## PHARMA DIVISION

- D-125 & 128, Phase III, Jeedimetla Industrial Estate, Hyderabad - 500055, State - Telangana
- Plot No. 25, Kundeshwari Village, Kashipur, Udham Singh Nagar - 244713, State - Uttarakhand,
- D-9, Industrial Area, Haridwar - 249401, State - Uttarakhand,
- Plot No: 8, Phase V, IDA Jeedimetla, Hyderabad, 500055, State - Telangana
- Kishlay, Kashipur, Uttarkhand - 110001, State - Uttarakhand,
- 130, Shanta Indl. Estate, 1<sup>st</sup> Floor, IB Patel Road, Goregaon Mumbai East - 63, State - Maharashtra

**R&D CENTERS:**

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

**Address for Correspondence:**

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

**M/s. Aarthi Consultants Private Limited**

1-2-285, Domalguda  
Hyderabad, India – 500029  
Phone : 040-27638111/27634445  
Fax : 040-27632184,  
Email : info@aarthiconsultants.com

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

Yugandhar Kopparthi  
Company Secretary & Compliance Officer  
Vivimed Labs Limited  
(CIN: L02411KA1988PLC009465)  
Corporate Off: North End, Road No.2,  
Banjara Hills, Hyderabad, India – 500034  
Tel: 91-40-6608 6608  
Fax: 91-40-6608 6699  
E-mail: yugandhar.kopparthi@vivimedlabs.com  
Website: www.vivimedlabs.com

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

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

Plot No. C4-A, G Block, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051, Maharashtra, India  
Tel.: +91 22 2644 9000  
Fax: +91 22 2644 9019-22

**National Stock Exchange of India**

Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051, Maharashtra, India  
Tel.: +91 22 2659 8100  
Fax: +91 22 2659 8120

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001, Maharashtra, India  
Tel.: +91 22 2272 1233  
Fax: +91 22 2272 1919

**Green Initiative in the Corporate Governance**

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

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

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

**'We have no equity shares Unclaimed Suspense Account'**

Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2021

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

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2021.

Sd/-

**Santosh Varalwar**  
Managing Director

Place: Hyderabad  
Date: 13-01-2023



Vivimed

## PART B: COMPLIANCE CERTIFICATE

[See Regulation 17(8)]

### MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER CUM CHIEF FINANCIAL OFFICER CERTIFICATION

To  
The Board of Directors  
Vivimed Labs Limited

The following compliance certificate shall be furnished by Managing Director and Chief Executive Officer cum Chief Financial Officer:

- A. We have reviewed financial statements for the quarter and year ended 31-03-2021 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended 31-03-2021 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- D. we have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the quarter and year ended 31-03-2021 - **NIL**
  - (2) Significant changes in accounting policies during the quarter and year ended 31-03-2021 - **NIL**

Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting - **NIL**.

On behalf of the Board of Directors  
For **Vivimed Labs Limited**

Sd/-  
**Santosh Varalwar**  
Managing Director

Sd/  
**Ramesh Krishnamurthy**  
Chief Executive Officer

Place: Hyderabad  
Date: 28-06-2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

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

In my opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 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 the Director	Designation	DIN No.
1	Santosh Varalwar	Managing director	00054763
2	Manohar Rao Varalwar	Whole-time director	00059815
3	Sandeep Varalwar	Whole-time director	01682951
4	Subhash Varalwar	Non-Executive Director	00054789
5	Hari Gopal Jamalapuram	Independent Director	08687353
6	Umanath Varahabhotla	Independent Director	06539204

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

**Sd-**  
**NVSS Suryanarayana Rao**  
**Company Secretary in practice**  
**ACS No.5868**  
**CP NO.2886**  
**UDIN: A005868C000796097**

Place: Hyderabad,  
 Date: 13-08-2021



Vivimed

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of Vivimed Labs Limited

- 1 This certificate is issued in accordance with the terms of our engagement letter dated 13<sup>th</sup> February, 2021.
- 2 Vivimed Labs Limited ('the Company') requires practicing Company Secretary (PCS) certificate on corporate governance as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

### Management responsibility

- 3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for compliance with conditions of corporate governance as stipulated in regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance report and applying an appropriate basis of preparation.

### PCS Responsibility

- 4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the above said compliances of the conditions of the Corporate Governance for the period 1 April 2020 to 31 March 2021.
- 5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
- 6 We conducted our examination in accordance with the Guidance Note on Certificates issued by the Institute of Company secretaries of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Company secretaries of India.
- 7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

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

### Restrictions on Use

- 10 This certificate is issued solely for the purpose of complying with regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Place: Hyderabad,  
Date: 13-08-2021

Sd-  
NVSS Suryanarayana Rao  
Company Secretary in practice  
ACS No.5868  
CP NO.2886  
UDIN: A005868C000796119

**Secretarial compliance report of Vivimed Labs Ltd (CIN: L02411KA1988PLC009465)****for the year ended 31<sup>st</sup> March, 2021****(Pursuant to SEBI- CIR/CFD/CMD/1/27/2019 Dated February 08, 2019)**

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

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

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

for the year ended 31<sup>st</sup> March, 2021 (“Review Period”) in respect of compliance with the provisions of :

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

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the review period)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the review period)
- (g) 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 review period)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and



## Vivimed

- (j) the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;  
and circulars/ guidelines issued there under;

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder. We have observed that the Company has responded appropriately to clarifications/queries received from NSE/BSE wherever found necessary.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) There were No actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:
- (d) The actions taken by listed entity to comply with the observations made in previous reports does not arise during the review period.
- (e) The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period

**Sd/-**

**NVSS Suryanarayana Rao**  
**Company Secretary in practice**

**ACS No.5868**

**CP NO.2886**

**UDIN number A005868C000488031**

Place: Hyderabad,

Date: 19-06-2021

# Standalone Financial Statements





# Independent Auditor's Report

## To the Members of M/s VIVIMED LABS LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of M/s VIVIMED LABS LIMITED ("the Company") which comprise the standalone Balance Sheet as at 31<sup>st</sup> March, 2021, the standalone Statement of Profit and Loss (including other comprehensive income) the standalone Statement of changes in equity and standalone of cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 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 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, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, the loss 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of Matter

1. The Company has defaulted in payment of interest and repayment of principle to State Bank of India and EXIM Bank, loan accounts has become NPA.
2. The company is defaulted in the payment of Statutory Dues with appropriate authorities.
3. Vivimed Labs Mauritius Limited (Wholly owned subsidiary) has lost its control over UQUIFA SCIENCES (MASCARENE LTD) during the year from 100% to 18.34% holding and the investment shall become a financial asset and is to be recognized at fair value as on 31.03.2021. However, the investment is still shown in books as per book value.

**Our opinion is not modified in respect of the above Emphasis of Matter.**

#### Key Audit Matters

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

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

Key audit matters	How the matter was addressed in our audit
<p><b>Contingent Liabilities and Litigation Matters</b></p> <p>Refer note 2.5 of the basis of preparation of financial statements and note 32 to the standalone financial statements.</p> <p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area related to Income Tax, BGs, LCs and corporate guarantee to its subsidiaries. The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment.</p> <p>These provisions are based on judgements and accounting estimates made by management reflect in determining the likelihood and magnitude of an unfavourable outcome on the claims.</p> <p>Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position.</p>	<p>Our audit procedures included the following:</p> <p>We evaluating the design and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims;</p> <p>Corroborating management's assessment by:</p> <ul style="list-style-type: none"> <li>● making enquiries with the in-house legal counsel of the Company;</li> <li>● verifying correspondence, orders and appeals in respect of open litigation;</li> <li>● obtaining confirmations from internal legal counsel where relevant and/ or evaluating legal opinions obtained by the management;</li> <li>● evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and</li> <li>● evaluating adequacy of disclosures given in Note 32 to standalone financial statements.</li> </ul>

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### 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, including the accounting Standards specified under section 133 of "the Act". This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to



going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 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:
    - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2021 on its financial position in its notes to standalone financial statements.
    - ii. The Company does 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For P C N & Associates,**  
Chartered Accountants  
Firm's Regn.No:016016S

Sd/-

**K Gopala Krishna**  
Partner

Place: Hyderabad  
Date: 28-06-2021

M No: 203605  
UDIN:21203605AAAAHG1610



## Annexure A to the

# Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of M/s VIVIMED LABS LIMITED ('the company') as of 31<sup>st</sup> March, 2021 in conjunction with our audit of financial statements of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an Audit of Internal Financial Controls. These standards and 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 risk of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and

directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation 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 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control state in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P C N & Associates,**  
*Chartered Accountants*  
Firm's Regn.No:016016S

Sd/-

**K Gopala Krishna**  
*Partner*

M No: 203605

UDIN:21203605AAAAHG1610

Place: Hyderabad

Date: 28-06-2021



## Annexure B to the

# Independent Auditor's Report

Annexure referred to in Independent Auditors Report to the Members of M/s VIVIMED LABS LIMITED on the financial statements for the year ended 31<sup>st</sup> March, 2021, we report that:

- i. In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us, the records examined by us and based on the examination of the title deeds of immovable properties, they are held in the name of the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. According the information and explanations given to us, the Company has granted unsecured loans to corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March, 2021 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.
- vi. We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii. According to the information and explanations given to us, in respect of statutory dues:
- The Company is not regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Dividend distribution Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were undisputed amounts payable in respect of TDS, Dividend Distribution Tax in arrears as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable which are given below:

S. No	Nature	Amount in ₹
1	Dividend Distribution Tax and interest on delayed payments	1,16,27,202
2	TDS	2,93,35,528
3	Provident Fund	73,43,903
4	ESI	10,38,552
5	Professional Tax	5,12,652

- c) According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods and Service Tax and Customs Duty which have not been deposited as at 31<sup>st</sup> March, 2021 on account of any dispute except Income Tax which are given below:

S. No	Nature	Period	Amount in ₹	Forum where the matter is pending
1	Income Tax, 1961	AY 2006-07	7,06,057	ITAT
2	Income Tax, 1961	AY 2006-07	Nil	CIT(A)
3	Income Tax, 1961	AY 2007-08	73,96,750	CIT(A)
4	Income Tax, 1961	AY 2011-12	4,01,57,461	ITAT
5	Income Tax, 1961	AY 2012-13	7,61,020	ITAT
6	Income Tax, 1961	AY 2014-15	54,78,51,197	ITAT
7	Income Tax, 1961	AY 2012-13	8,85,16,851.00	ITAT
8	Income Tax, 1961	AY 2013-14	35,20,80,052.00	ITAT
9	Income Tax, 1961	AY 2015-16	52,20,73,582.00	ITAT
10	Income Tax, 1961	AY 2016-17	31,09,60,462.00	ITAT
11	Income Tax, 1961	AY 2017-18	30,17,90,179.00	ITAT

- viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of principal loan to EXIM Bank and SBI of an amount of ₹2.40 crore and ₹193.10 Crore and interest & penal interest amounting to ₹5.20 crore/- and ₹10.65 crore respectively. loan account with EXIM bank and SBI have become NPA. The Company has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 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 the Order 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 Companies Act, 2013 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 paid convertible debentures and hence reporting under clause 3 (xiv) of the Order 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 and 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 P C N & Associates,**  
Chartered Accountants  
Firm's Regn.No:016016S

Sd/-  
**K Gopala Krishna**  
Partner

Place: Hyderabad  
Date: 28-06-2021

M No: 203605  
UDIN:21203605AAAAHG1610





Vivimed

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2021

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

Particulars	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,413.74	3,136.00
Capital work-in-progress		584.50	697.67
Goodwill		169.14	169.14
Other intangible assets	5	582.13	259.03
<b>Financial assets</b>			
Investments	6	1,611.36	875.01
		<b>6,360.86</b>	<b>5,136.85</b>
<b>Current assets</b>			
Inventories	7	2,536.84	2,633.71
<b>Financial assets</b>			
Trade receivables	8	767.01	896.69
Cash and cash equivalents	9 (A)	60.15	110.88
Bank balances other than cash and cash equivalents	9 (B)	-	-
Loans	10	585.30	641.63
Current tax assets	11	119.66	100.70
Other current assets	12	518.51	1,152.73
		<b>4,587.47</b>	<b>5,536.34</b>
<b>Total assets</b>		<b>10,948.33</b>	<b>10,673.19</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	13	165.83	165.83
Other equity	14	5,078.84	5,373.07
<b>Total equity</b>		<b>5,244.67</b>	<b>5,538.90</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15(A)	571.04	679.70
Other financial liabilities	16 (A)	1,638.03	1,252.60
Deferred tax liabilities, net	17	83.32	85.71
Other non current liabilities	18 (A)	47.27	66.45
Provisions	19 (A)	64.01	38.43
		<b>2,403.67</b>	<b>2,122.89</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15(B)	1,936.95	1,877.38
Trade payables	20	328.89	308.22
Other financial liabilities	16 (B)	831.98	613.98
Other current liabilities	18 (B)	7.51	7.76
Provisions	19 (B)	8.62	14.43
Current tax liabilities	21	186.04	189.63
		<b>3,299.99</b>	<b>3,011.40</b>
<b>Total liabilities</b>		<b>5,703.66</b>	<b>5,134.29</b>
<b>Total equity and liabilities</b>		<b>10,948.33</b>	<b>10,673.19</b>

Summary of significant accounting policies

3

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 0160165

Sd/-

**K Gopala Krishna**

Partner

Membership No.: 203605

UDIN:21203605AAAAHG1610

Place: Hyderabad

Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Ramesh Krishnamurthy**

CEO cum CFO

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M.No:ACS19315

## Standalone Statement of Profit & Loss

for the year ended 31<sup>st</sup> March, 2021

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

Particulars	Note	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue from operations	22	2,100.45	2,766.06
Other income	23	60.75	65.35
<b>Total income</b>		<b>2,161.20</b>	<b>2,831.41</b>
<b>Expenses</b>			
Cost of materials consumed	24	927.55	1,551.68
Changes in inventories and work-in-progress	25	43.06	(48.68)
Employee benefit expenses	26	264.54	318.67
Other operating expenses	27	280.03	319.32
Depreciation and amortisation expense	28	157.95	165.68
Finance costs	29	414.92	429.99
Other expenses	30	308.27	302.15
<b>Total expense</b>		<b>2,396.33</b>	<b>3,038.81</b>
<b>Profit before tax</b>		<b>(235.13)</b>	<b>(207.40)</b>
<b>Tax expenses</b>			
Current tax	31	-	
Deferred tax	31	(2.34)	(15.70)
<b>Total tax expense</b>		<b>(2.34)</b>	<b>(15.70)</b>
<b>Profit for the year</b>		<b>(232.79)</b>	<b>(191.70)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan		(59.10)	(10.82)
Income-tax effect	31		-
<b>Other comprehensive income for the year, net of tax</b>		<b>(59.10)</b>	<b>(10.82)</b>
<b>Total comprehensive income for the year</b>		<b>(291.89)</b>	<b>(180.88)</b>
Earnings per equity share (nominal value of ₹2) in INR	39		
Basic		(3.52)	(2.31)
Diluted		(3.42)	(2.24)

Summary of significant accounting policies

3

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

As per our report of even date attached

for **P C N & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 0160165

Sd/-  
**K Gopala Krishna**  
Partner  
Membership No.: 203605  
UDIN:21203605AAAAHG1610

Place: Hyderabad  
Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465

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

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

Sd/-  
**Ramesh Krishnamurthy**  
CEO cum CFO

Sd/-  
**Yugandhar Kopparthi**  
Company Secretary  
M.No:ACS19315



## Standalone Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2021

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

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	(294.23)	(207.40)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	132.05	135.54
Amortisation of intangible assets	25.90	30.14
Finance income (including fair value change in financial instruments)		-
Finance costs (including fair value change in financial instruments)	414.92	429.99
<b>Operating profit before working capital changes</b>	<b>278.65</b>	<b>388.27</b>
<b>Changes in working capital:</b>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	129.68	122.17
Inventories	96.87	190.76
Loans - current	56.33	42.60
Other assets - current	634.22	92.48
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	20.67	(44.63)
Other financial liabilities	603.43	92.95
Other liabilities	(19.43)	(31.55)
Provisions	19.77	(42.51)
<b>Cash generated from operations</b>	<b>1,820.19</b>	<b>810.54</b>
Income taxes paid	(24.95)	(60.30)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,795.24</b>	<b>750.24</b>
<b>II. Cash flows from investing activities</b>		
Proceeds from sale/ (Purchase of) property, plant and equipment and intangibles (including capital work in progress), net	(645.61)	32.90
Investments made during the year	(736.35)	0.30
Interest received (finance income)		-
<b>Net cash used in investing activities</b>	<b>(1,381.96)</b>	<b>33.20</b>

## Standalone Statement of Cash Flow (Contd.)

for the year ended 31<sup>st</sup> March, 2021

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

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>III. Cash flows from financing activities</b>		
Share issue proceeds		0.78
Dividend paid		-
Proceeds from/(repayment of) long-term borrowings, net	(108.66)	(221.06)
Proceeds from/(repayment of) short-term borrowings, net	59.57	(263.88)
Interest paid	(414.92)	(429.99)
<b>Net cash provided by financing activities</b>	<b>(464.01)</b>	<b>(914.15)</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(50.73)</b>	<b>(130.71)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>110.88</b>	<b>241.59</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>60.15</b>	<b>110.88</b>
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	0.03	2.41
Balances with banks:		
- in current accounts	60.12	108.47
	<b>60.15</b>	<b>110.88</b>

### Summary of significant accounting policies

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

As per our report of even date attached

for **P C N & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 016016S

Sd/-  
**K Gopala Krishna**  
Partner  
Membership No.: 203605  
UDIN:21203605AAAAHG1610

Place: Hyderabad  
Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465

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

Sd/-  
**Ramesh Krishnamurthy**  
CEO cum CFO

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

Sd/-  
**Yugandhar Kopparthi**  
Company Secretary  
M.No:ACS19315



Vivimed

## Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2021

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

### a. Equity Share Capital

Particulars	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March, 2019</b>	82,523,915	165.05
Changes in equity share capital during the year	390,000	0.78
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>82,913,915</b>	<b>165.83</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>82,913,915</b>	<b>165.83</b>

### b. Other equity

Particulars	Reserves and Surplus					Total
	Securities premium	Capital reserve	General reserve	Revaluation reserve	Retained earnings	
<b>Balance as of 31<sup>st</sup> March, 2019</b>	<b>1,766.60</b>	<b>8.57</b>	<b>167.80</b>	<b>380.00</b>	<b>3,238.18</b>	<b>5,561.16</b>
Profit for the year					(191.70)	(191.70)
Dividend paid during the year (including tax on dividend)						-
Ind AS Adjustment					5.84	5.84
Equity shares issued during the year	8.58	-	-	-		8.58
<b>Other comprehensive income</b>						
Other comprehensive income gains/ (losses) on defined, net of tax	-				(10.82)	(10.82)
<b>Balance as of 31<sup>st</sup> March, 2020</b>	<b>1,775.18</b>	<b>8.57</b>	<b>167.80</b>	<b>380.00</b>	<b>3,041.52</b>	<b>5,373.08</b>
Profit for the year					(232.79)	(232.79)
Dividend paid during the year (including tax on dividend)						
Ind AS Adjustment					(2.34)	(2.34)
Equity shares issued during the year						
Other comprehensive income						
Other comprehensive income gains/ (losses) on defined, net of tax					(59.10)	(59.10)
<b>Balance as of 31<sup>st</sup> March, 2021</b>	<b>1,775.18</b>	<b>8.57</b>	<b>167.80</b>	<b>380.00</b>	<b>2,747.29</b>	<b>5,078.85</b>

#### Summary of significant accounting policies

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

As per our report of even date attached

for **P C N & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 016016S

Sd/-  
**K Gopala Krishna**  
Partner  
Membership No.: 203605  
UDIN:21203605AAAAHG1610

Place: Hyderabad  
Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465

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

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

Sd/-  
**Ramesh Krishnamurthy**  
CEO cum CFO

Sd/-  
**Yugandhar Kopparthi**  
Company Secretary  
M.No:ACS19315

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2021

## 1 General Information

Vivimed Labs Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Bidar, India. The Company is primarily engaged in the Business of Active Pharmaceuticals Ingredients, CDMO Finished Dosage Formulation, Specialty Chemicals and Retail Branded Formulation manufacturing. The Company is listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

## 2 Basis of preparation of financial statements

### 2.1 Statement of Compliance

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

These financial statements have been prepared for the Company as going concern on the basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31<sup>st</sup> March, 2021. The financial statements were authorised for issue by the Company's Board of Directors on 28<sup>th</sup> June, 2021.

### 2.2 Functional and presentation currency

The financial statements are presented in Indian rupees millions, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupee millions except share data, unless otherwise stated.

### 2.3 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

### 2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### Assets:

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

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

#### Liabilities:

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

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

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

### 2.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are



## Notes to

forming part of the Standalone Financial Statement

not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

### Useful lives of depreciable assets.

Management reviews the useful lives of depreciable assets at each reporting. As at 31<sup>st</sup> March, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

### 2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

## 3 Significant accounting policies

### 3.1 Revenue recognition

Effective 1<sup>st</sup> April, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of promised products or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange of those products or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the sale of goods includes excise duty.
- Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- Dividend income is accounted for when the right to receive the income is established, which is generally when shareholders approve the dividend.

## Notes to

forming part of the Standalone Financial Statement

- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of

the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### 3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### 3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying





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amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.6 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### 3.7 Property, plant and equipment

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative

purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

### 3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### 3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. The Company depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

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Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### 3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

#### Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

### 3.11 Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, fuel, stores & spare parts and packing materials:  
Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.
- Work-in- progress (WIP), finished goods and stock-in-trade:  
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

### 3.12 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### 3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

### 3.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### 3.15 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's



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carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

### 3.16 Employee benefits

#### Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### Defined contribution plans

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

#### Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are

recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

#### Termination benefits

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

#### Other long-term employee benefits

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

### 3.17 Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 3.18 Contingent liabilities & contingent assets

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

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

### 3.19 Financial instruments

#### a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### b. Classification and Subsequent measurement Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Financial assets:** Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.



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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets:** Subsequent measurement and gains and losses

**Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities:** Classification, Subsequent measurement and gains and losses.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified

as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### c. Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

### d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

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At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible

within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



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

### 4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Electrical equipment	Laboratory equipment	Office equipment	Computers	Furniture	Vehicles	Books and Periodicals	Total
<b>Gross Carrying amount</b>											
At 31 <sup>st</sup> March, 2019	1,117.89	831.37	1,924.67	57.97	43.77	18.89	12.15	19.12	36.66	0.04	4,062.53
Additions			2.92	0.03		0.18	0.10	5.25	-	-	8
Disposals/adjustments	74.84	22.52	51.16	0.05		6.07	0.62	0.13	-	-	155
<b>At 31<sup>st</sup> March, 2020</b>	<b>1,043.05</b>	<b>808.85</b>	<b>1,876.44</b>	<b>57.96</b>	<b>43.77</b>	<b>13.00</b>	<b>11.62</b>	<b>24.25</b>	<b>36.66</b>	<b>0.04</b>	<b>3,915.63</b>
Additions	62.35	62.35	70.66	41.56	83.13	62.35	12.47	20.78	-	-	415.64
Disposals/adjustments	5.85										5.85
<b>At 31<sup>st</sup> March, 2021</b>	<b>1,100</b>	<b>871</b>	<b>1,947.09</b>	<b>99.52</b>	<b>126.89</b>	<b>75.35</b>	<b>24.09</b>	<b>45.03</b>	<b>36.66</b>	<b>0.04</b>	<b>4,325.41</b>
<b>Accumulated depreciation</b>											
At 31 <sup>st</sup> March, 2019	0.08	147.37	501.85	25.67	20.13	13.54	4.50	(28.20)	21.19	0.03	706.16
Charge for the year	-	42.43	84.44	2.87	4.30	0.72	1.49	2.23	4.69	-	143.17
Less: Disposals / adjustments	-	9.63	53.39	-	-	6.07	0.62	-	-	-	69.70
<b>At 31<sup>st</sup> March, 2020</b>	<b>0.08</b>	<b>180.18</b>	<b>532.91</b>	<b>28.54</b>	<b>24.43</b>	<b>8.19</b>	<b>5.36</b>	<b>(25.97)</b>	<b>25.88</b>	<b>0.03</b>	<b>779.63</b>
Charge for the year	0.00	40.06	78.99	2.60	2.87	0.68	0.40	2.43	4.01	-	132.05
Less: Disposals / adjustments											
<b>At 31<sup>st</sup> March, 2021</b>	<b>0.09</b>	<b>220.24</b>	<b>611.90</b>	<b>31.14</b>	<b>27.29</b>	<b>8.87</b>	<b>5.77</b>	<b>(23.54)</b>	<b>29.89</b>	<b>0.03</b>	<b>911.68</b>
<b>Net Carrying amount</b>											
At 31 <sup>st</sup> March, 2020	1,042.96	628.68	1,343.53	29.42	19.34	4.81	6.26	50.22	10.78	0.01	3,136.00
At 31 <sup>st</sup> March, 2021	1,099.45	650.96	1,335.19	68.38	99.60	66.48	18.32	68.57	6.77	0.01	3,413.74

#### Note

- Charge on Property, plant and equipment  
All the property, plant and equipment are subject to a first charge, second charge and pari passu to secure the Company's working capital and Term loan bank loans.
- The company has received an advance from BBR Green fields Private Limited (BBR) against the proposed sale of part of the speciality Chemical Business of the company pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.

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

### 5 Intangible assets

Particulars	Brands, Trademarks and Technical know how	Total
<b>Gross Carrying amount</b>		
At 31 <sup>st</sup> March, 2019	516.15	516.15
Additions	-	-
<b>At 31<sup>st</sup> March, 2020</b>	<b>516.15</b>	<b>516.15</b>
Additions	349.00	349.00
<b>At 31<sup>st</sup> March, 2021</b>	<b>865.15</b>	<b>865.15</b>
<b>Accumulated depreciation</b>		
At 31 <sup>st</sup> March, 2019	234.63	234.63
Amortisation expense	22.49	22.49
Less: Disposals / adjustments	-	-
<b>At 31<sup>st</sup> March, 2020</b>	<b>257.12</b>	<b>257.12</b>
Amortisation expense	25.90	25.90
Less: Disposals / adjustments	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>283.02</b>	<b>283.02</b>
<b>Carrying amount</b>		
<b>At 31<sup>st</sup> March, 2020</b>	<b>259.03</b>	<b>259.03</b>
<b>At 31<sup>st</sup> March, 2021</b>	<b>582.13</b>	<b>582.13</b>

The company has received an advance from BBR Green fields Private Limited(BBR) against the proposed sale of part of the speciality Chemical Business of the company,pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.

### 6 Investments

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Non-current investments</b>		
<b>Investments carried at cost</b>		
<b>Unquoted equity shares</b>		
<b>Investments in subsidiaries</b>		
1,015,000 (31 <sup>st</sup> March, 2020: 1,015,000) equity shares of ₹10 each in Finoso Pharma Private Limited	100.00	100.00
10,000 (31 <sup>st</sup> March, 2020: 10,000) equity shares of HKD 1 each in Vivimed Holdings Limited, Hong Kong	615.20	0.07
1,000 (31 <sup>st</sup> March, 2020:1000) equity shares of USD 0.01 each in Vivimed Labs USA Inc, USA	0.0005	246.98
900,000 (31 <sup>st</sup> March, 2020: 900,000) equity shares of USD 1 each in Vivimed Labs Mauritius Limited, Mauritius	869.68	460.41
10,000 (31 <sup>st</sup> March, 2020: 10,000) equity shares of ₹10 each in Vivimed Speciality Chemicals Private Limited	0.10	0.10
NIL (31 <sup>st</sup> March, 2019: 14,133,440) equity shares of ₹10 each in Vivimed Life Sciences Private Limited	-	-
Less: Provision for impairment of investments	(41.07)	-
<b>Investments carried at fair value through profit and loss</b>		





## Notes to

forming part of the Standalone Financial Statement

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Investments in others</b>		
<b>Unquoted equity shares</b>		
2,500,000 (31 <sup>st</sup> March, 2020: 2,500,000) equity shares of ₹10 each in Yantra Green Power Private Limited	25.00	25.00
Others	0.99	0.99
<b>Investments through fair value of corporate guarantees</b>		
Vivimed Labs Mauritius Limited	20.96	20.96
Vivimed Labs USA Inc.	2.65	2.65
Finoso Pharma Private Limited	2.25	2.25
Yantra Green Power Private Limited	15.60	15.60
<b>Total</b>	<b>1,611.36</b>	<b>875.01</b>
Total investments carried at cost	1,544	808
Total investments carried at fair value through profit and loss	26	26
Other investments	41	41

## 7 Inventories

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Materials	1,478	1,534
Packing Materials	88	85
Semi-finished & Work-in-process	324	238
Finished Goods (including Goods in transit)	648	777
<b>Total</b>	<b>2,537</b>	<b>2,634</b>

## 8 Trade receivables

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Unsecured, considered good	790.22	936.45
	<b>790.22</b>	<b>936.45</b>
Less: Allowance for doubtful receivables	(23.21)	(39.76)
<b>Total</b>	<b>767.01</b>	<b>896.69</b>

## 9 (A) Cash and cash equivalents

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i) Balances with banks:		
- On current accounts	60.12	108.47
ii) Cash on hand	0.03	2.41
<b>(A) Total -(i+ii)</b>	<b>60.15</b>	<b>110.88</b>
iii) Bank balances other than cash and cash equivalents stated above		
- Unpaid dividend account	-	-
<b>(B) Total (iii)</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii+iii)</b>	<b>60.15</b>	<b>110.88</b>

## Notes to

forming part of the Standalone Financial Statement

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

### 10 Loans (Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current</b>		
Security deposits	541.49	603.91
Loans and advances to related parties	43.81	37.71
<b>Total</b>	<b>585.30</b>	<b>641.63</b>

### 11 Current tax assets

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Advance tax and TDS receivable	119.66	100.70
Less: Provision for taxes		
<b>Total</b>	<b>119.66</b>	<b>100.70</b>

### 12 Other assets

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
<b>Advances other than capital advances</b>		
Staff advances	27.42	78.25
Other advances	336.54	868.48
Prepaid expenses	154.55	206.00
<b>Total</b>	<b>518.51</b>	<b>1,152.73</b>

### 13 Share Capital

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Authorised Share Capital</b>		
2,00,000,000 (31 <sup>st</sup> March, 2020: 2,00,000,000) equity shares of ₹2 each.	400.00	400.00
7,10,000 (31 <sup>st</sup> March, 2020: 7,10,000) preference shares of ₹1,000 each.	710.00	710.00
	<b>1,110.00</b>	<b>1,110.00</b>
<b>Issued, subscribed and fully paid-up</b>		
82,913,915 (31 <sup>st</sup> March, 2020: 82,913,915) equity shares of ₹2/- each fully paid-up.	165.83	165.83
	<b>165.83</b>	<b>165.83</b>

#### (a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	Number of Shares	Value
Balance at 31 <sup>st</sup> March, 2020 (Equity shares of ₹2/- each fully paid-up)	82,913,915	165.83
Issued during the year (Equity shares of ₹2/- each fully paid)		
Balance at 31 <sup>st</sup> March, 2021 (Equity shares of ₹2/- each fully paid-up)	<b>82,913,915</b>	<b>165.83</b>



## Notes to

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

### (b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Equity shares of ₹2/- each fully paid</b>		
BBR Projects Private Limited		
Number of shares held	10,712,000	12,312,000
% of holding	12.92%	14.85%
Kitara PIIN 1102		
Number of shares held	8,810,562	9,150,685
% of holding	10.63%	11.04%
Santosh Varalwar		
Number of shares held	3,699,050	5,599,050
% of holding	4.46%	6.75%

### 14 Other equity

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Securities premium</b>		
Opening balance	1,775.18	1,766.60
Additions during the year	-	8.58
<b>Closing balance</b>	<b>1,775.18</b>	<b>1,775.18</b>

Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Capital reserve</b>		
Opening balance	8.57	8.57
Additions during the year	-	-
Closing balance	<b>8.57</b>	<b>8.57</b>
<b>General reserve</b>		
Opening balance	167.80	167.80
Add: Transfers during the year	-	-
<b>Closing balance</b>	<b>167.80</b>	<b>167.80</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

## Notes to

forming part of the Standalone Financial Statement

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Revaluation reserve</b>		
Opening balance	380.00	380.00
Add: Additions from amalgamated entities	-	
<b>Closing balance</b>	<b>380.00</b>	<b>380.00</b>
<b>Retained earnings</b>		
Opening balance	3,041.52	3,238.19
Profit/(loss) for the year	(232.79)	(191.70)
Additions from amalgamated entities		
Dividend paid during the year (including tax on dividend)		
Ind AS Adjustment	(2.34)	5.85
Other comprehensive income	(59.10)	(10.82)
<b>Closing balance</b>	<b>2,747.29</b>	<b>3,041.52</b>
<b>Total other equity</b>	<b>5,078.84</b>	<b>5,373.07</b>

### 15(A) Borrowings

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-current Borrowings</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
- From banks	-	106.91
- From financial institutions	0.57	8.24
<b>Other loans</b>		
- From financial institutions	7.73	7.73
<b>Unsecured loans</b>		
Sales tax deferment loan	3.66	3.66
FCCB's From Financial Institutions	559.07	553.16
<b>Total non-current borrowings</b>	<b>571.04</b>	<b>679.70</b>
<b>(B) Current Borrowings</b>		
<b>Secured loans repayable on demand</b>		
<b>Working capital loans</b>		
- Cash credit and packing credit loans	1,936.95	1,877.38
- Foreign bills discounting	-	
<b>Total current borrowings</b>	<b>1,936.95</b>	<b>1,877.38</b>

#### A. Term loans:

Term loan from Banks consists of:

- Loan taken from SBI for ₹700 mn (USD 10.1 mn) repayable in 16 instalments from October 2017 to June 2021. This loan carries an interest rate of 16.5%.



## Notes to

forming part of the Standalone Financial Statement

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

Term loan from Financial Institutions consists of:

- (i) ECB loan taken from IFC for USD 12.5 million repayable in 10 instalments from June 2015 to December 2019 and Company has applied for extension and its underprocess. This loan carries an interest rate of 6.02%.

All the term loans are secured by a charge on the moveable and immovable assets of the Company, present and future, with a paripassu charge.

### B. Sales tax deferrment loan:

The Company has been granted an interest free sales tax deferrment loan by the Government of Andhra Pradesh. This loan is unsecured.

### C. FCCB's from Financial Institutions:

The Company has obtained an FCCB from IFC in June 2011 for an amount of USD 7.5 million repayable in 5 years with a coupon rate of 0.55% per annum and an interest rate of 4.23% per annum compounded semiannually if the conversion option is not exercised. Subsequently, during the year, the due date for payment has been extended upto 30<sup>th</sup> September, 2019. The Company has applied for extension and its underprocess. The entire portion was classified under "Borrowings", and there is no equity portion of the instrument.

### D. Cash credits and packaging credit loans:

The Company has working capital facilities in the form of cash credits and packaging credit from State Bank of India, Indian Bank (Erst. Allahabad Bank), Bank of Bahrain and Kuwait and Exim with interest rates varying between 14.5% to 16.5%. During the previous year, EXIM Bank have not renewed PCFC facility and the loan was called back during the previous year.

## 16 (A) Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-Current</b>		
Creditors for capital goods	171.63	187.32
Payable to related parties	1,466.40	1,065.28
	<b>1,638.03</b>	<b>1,252.60</b>
<b>(B) Current</b>		
Current maturities of long-term debts	725.77	481.13
Employee salaries payable	62.02	65.11
Employee bonus payable	31.55	56.25
Provision for expenses	12.63	11.48
	<b>831.98</b>	<b>613.98</b>

## 17 Deferred tax liabilities, net

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Deferred tax asset</b>		
- Tangible and Intangible assets		
- Provision allowed under tax on payment basis		
- Expected credit loss on financial assets		
- MAT credit entitlement	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Deferred tax liability	83.32	85.71
<b>Total</b>	<b>83.32</b>	<b>85.71</b>

## Notes to

forming part of the Standalone Financial Statement

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

### 18 (A) Other liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-Current</b>		
Deferred interest	32.43	53.49
Advances received	14.39	12.51
Advances from Sale of Spechem Asset	-	
Financial guarantee liability	0.45	0.45
	<b>47.27</b>	<b>66.45</b>
<b>(B) Current</b>		
Financial guarantee liability	7.51	7.76
	<b>7.51</b>	<b>7.76</b>

### 19 (A) Provisions

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-Current</b>		
Provision for employee benefits		
- Gratuity/Sick leave/Leave Encashment	61.67	36.35
- Compensated absences	-	
Provision for others	2.34	2.08
	<b>64.01</b>	<b>38.43</b>
<b>(B) Current</b>		
Provision for employee benefits		
- Gratuity/Sick leave/Leave Encashment	8.62	14.43
	<b>8.62</b>	<b>14.43</b>

### 20 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	328.89	308.22
	<b>328.89</b>	<b>308.22</b>

### 21 Current tax liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for taxes	186.04	189.63
Less: Advance tax and TDS receivable		
	<b>186.04</b>	<b>189.63</b>



## Notes to

forming part of the Standalone Financial Statement

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

### 22 Revenue from operations

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Revenue from sale of products</b>		
Domestic	1,856.08	1,521.06
Export	230.11	714.57
	<b>2,086.19</b>	<b>2,235.63</b>
Other operating revenue	14.26	530.43
	<b>2,100.45</b>	<b>2,766.06</b>

### 23 Other income

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Unwinding of interest on assets discounted		
Grants received		
Guarantee income	-	3.88
Miscellaneous income	60.75	61.47
	<b>60.75</b>	<b>65.35</b>

### 24 Cost of materials consumed

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Opening Stock of Raw Materials and Consumables	1,534.36	1,769.14
Opening Stock of Packing Materials	84.74	84.69
Add : Opening Stock of Raw Material on Amalgamated Entities		
Add : Opening Stock of Packing Material on Amalgamated Entities		
Add : Purchases during the year	873.74	1,316.95
	<b>2,492.84</b>	<b>3,170.78</b>
Less : Closing Stock of Raw Materials and Consumables	1,477.75	1,534.36
Less : Closing Stock of Packing Materials	87.54	84.74
	<b>927.55</b>	<b>1,551.68</b>

### 25 Changes in inventories and Work-in-progress

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Finished Goods</b>		
Inventories at the beginning of the year	776.83	759.40
Add : Amalgamated Entities Finished Goods		
Less : Inventories at the end of the year	647.65	776.83
<b>Sub Total (A)</b>	<b>129.18</b>	<b>(17.43)</b>
<b>Semi Finished Goods &amp; Work-in-Progress</b>		
Inventories at the beginning of the year	237.78	206.54
Less : Inventories at the end of the year	323.90	237.78
<b>Sub Total (B)</b>	<b>(86.12)</b>	<b>(31.25)</b>
<b>Goods in transit</b>		
<b>(Increase) / Decrease in Inventories</b>	<b>43.06</b>	<b>(48.68)</b>

## Notes to

forming part of the Standalone Financial Statement

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

### 26 Employee benefits expense

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Salaries, wages and bonus	240.77	292.69
Contribution to provident and other funds	8.18	7.11
Staff welfare expenses	15.59	18.87
	<b>264.54</b>	<b>318.67</b>

### 27 Other operating expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Consumption of Stores & Spares	27.88	25.37
Power & Fuel	90.20	89.86
Wages & Allowances	5.52	7.41
Labour Charges	73.43	69.75
Repairs to Building	1.06	0.54
Repairs to Machinery	20.82	14.10
Other Manufacturing Expenses	57.96	40.48
Loss on sale of asset	-	68.70
Job Work Charges	1.81	1.76
R & D Expenses	1.36	1.35
	<b>280.03</b>	<b>319.32</b>

### 28 Depreciation and amortisation expense

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Depreciation of tangible assets	132.05	143.19
Amortization of intangible assets	25.90	22.49
	<b>157.95</b>	<b>165.68</b>

### 29 Finance costs

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Interest on term loans, ECB loans and vehicle loans	101.73	80.72
Interest on working capital loan and cash credit	298.15	333.92
Other borrowing cost	15.04	15.35
	<b>414.92</b>	<b>429.99</b>





## Notes to

forming part of the Standalone Financial Statement

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

### 30 Other expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Business & Marketing Expenses	7.09	11.69
Bank charges	1.40	4.41
Commission & Discounts	52.39	18.57
Travelling Expenses - Foreign	-	0.05
Printing & Stationery	2.57	4.41
Telephone & Postage Expenses	3.23	4.24
Travelling Expenses	39.08	51.24
Rates & Taxes	2.60	3.46
Conveyance	6.56	8.62
Professional & Consultancy	8.23	-
Directors' Sitting Fee	1.70	1.05
Insurance	7.59	10.26
Rent	16.98	16.67
Other Administrative Expenses - Including Provision for Impairment	131.93	122.06
Processing fee on term loans	1.45	7.22
Provision against doubtful receivables	-	-
Fluctuation on Foreign exchange	(0.67)	8.81
Directors' Remuneration - Salary	24.25	27.50
Payment to Auditors:		
(i) As Auditor	1.82	1.82
(ii) For Taxation Matters	0.07	0.07
	<b>308.27</b>	<b>302.15</b>

### 31 Tax expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Current income tax:</b>		
Current income tax charge	-	-
<b>Deferred tax:</b>		
Relating to originating and reversal of temporary differences	(2.34)	(15.70)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>(2.34)</b>	<b>(15.70)</b>

#### Deferred tax related to items considered in OCI during the year

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Re-measurement gains/ (losses) on defined benefit plan	(59.10)	(10.28)
<b>Income tax charge to OCI</b>	<b>(59.10)</b>	<b>(10.28)</b>

## Notes to

forming part of the Standalone Financial Statement

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

### 32 Contingent liabilities and commitments

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>i) Contingent liabilities:</b>		
- Corporate guarantees given on behalf of others	15.00	24.30
- Letter of credit outstanding	-	-
- Bank guarantees	19.31	23.06
- Income tax demand	2,172.29	68.02
<b>ii) Commitments:</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances		

### 33 Related party disclosures

#### a) Names of related parties and description of relationship

Subsidiary Companies

Finoso Pharma Private Limited

Vivimed Holdings Limited

Vivimed Labs USA INC.

Vivimed Labs Mauritius Limited

Key Management Personnel ("KMP")

Santosh Varalwar (Managing Director)

Manohar Rao Varalwar (Executive Director)

Sandeep Varalwar (Executive Director)

Ramesh Krishnamurthy (CEO)

Yugandhar Kopparthi (Company Secretary)

#### b) Transactions with related parties

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Key Management Personnel</b>		
Remuneration Paid*	39.81	27.50
<b>Investments made</b>		
In subsidiaries	-	-
<b>Subsidiaries and step down subsidiaries</b>		
Sale of goods	97.04	36.71
Purchase of goods	7.99	73.25
Advances given	319.30	580.61
Advances received	3.47	1,155.86

\*Does not include insurance, which is paid for the Company as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.



## Notes to

forming part of the Standalone Financial Statement

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

### c) Details of balances receivable from and payable to related parties are as follows:

Name of Related Party	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Finoso Pharma Private Limited	43.81	(12.16)
Vivimed Labs USA Inc.USA	(232.14)	(232.14)
Vivimed Labs Mauritius Limited	(488.14)	(490.56)
Vivimed Labs Spain USL	(259.77)	(254.65)
Union Quimico Farmaceutica SAU, Spain	(4.05)	(4.06)
Yantra Green Power Pvt Limited	(6.02)	(8.62)
Vivimed Holdings Ltd	523.41	220.23
Uquifa Mexico S.A. DE	0.45	(2.95)
BBR Green fields Private Limited	(958.53)	(973.40)

The company has received an advance from BBR Green fields Private Limited (BBR) against the proposed sale of part of the speciality Chemical Business of the company, pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.

### d) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

### e) Others:

The Company has given Corporate Guarantee for the credit facilities of ₹15 Mn availed by the Subsidiaries.

## 34 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

The Company has two reportable segments - Speciality Chemicals Business and Pharma Business.

The segment revenue, profitability, assets and liabilities are as under:

Revenue by segment	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
a) Speciality Chemicals	535.09	626.83
b) Pharma	1,565.37	2,139.23
c) Others		
<b>Total revenue</b>	<b>2,100.45</b>	<b>2,766.06</b>

## Notes to

forming part of the Standalone Financial Statement

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

Segment Results	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>(Profit before Tax &amp; Interest)</b>		
a) Speciality Chemicals	(216.49)	(142.39)
b) Pharma	337.18	364.98
c) Others		
<b>Total:</b>	<b>120.69</b>	<b>222.59</b>
Less: (i) Interest	414.92	429.99
(ii) Unallocable expenditure (Net of Un allocable income)		
<b>Total Profit before tax</b>	<b>(294.23)</b>	<b>(207.40)</b>
<b>Segment Assets</b>		
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
a) Speciality Chemicals	1,975	1,925
b) Pharma	8,973	8,748
<b>Total</b>	<b>10,948.33</b>	<b>10,673</b>
<b>Segment Liabilities</b>		
a) Speciality Chemicals	1,181	1,063
b) Pharma	4,523	4,072
<b>Total</b>	<b>5,703.66</b>	<b>5,134</b>
<b>Capital Employed</b>		
a) Speciality Chemicals	1,655	1,659
b) Pharma	5,985	6,000
<b>Total</b>	<b>7,640.01</b>	<b>7,658</b>

### 35 Auditors' remuneration include:

Segment Results	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Statutory audit fee (including limited review)	1.82	1.82
Taxation matters	0.07	0.07
<b>Total</b>	<b>1.89</b>	<b>1.89</b>

### 36 Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:



## Notes to

forming part of the Standalone Financial Statement

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Opening balance	95.59	50.92
Current service cost	6.27	5.41
Interest cost	6.50	3.90
Benefits paid	-	(1.20)
Actuarial gain	(57.97)	10.34
<b>Closing balance</b>	<b>50.39</b>	<b>69.37</b>
Present value of projected benefit obligation at the end of the year	50.39	69.37
Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet	50.39	69.37
Current provision	1.56	14.43
Non current provision	48.83	54.94

Expenses recognised in statement of profit and loss	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Service cost	6.27	5.41
Interest cost	6.50	3.90
<b>Gratuity cost</b>	<b>12.77</b>	<b>9.31</b>
<b>Re-measurement gains/ (losses) in OCI</b>		
Actuarial gain / (loss) due to others	(57.97)	10.34
Remeasurement because of OB difference	-	0.38
Return on plan assets greater (less) than discount rate	-	0.10
<b>Total expenses routed through OCI</b>	<b>(57.97)</b>	<b>10.82</b>

Assumptions	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Discount rate (per annum)	6.80%	6.80%
Future salary increases	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Impact of 1% increase in discount rate	46.24	(73.67)
Impact of 1% decrease in discount rate	(55.20)	65.56
Impact of 1% increase in salary growth rate	58.21	75.11
Impact of 1% decrease in salary growth rate	(43.46)	(64.28)
Impact of 1% increase in attrition rate	53.71	71.70
Impact of 1% decrease in attrition rate	(46.70)	(66.80)
Impact of 1% increase in mortality rate	50.47	69.43
Impact of 1% decrease in mortality rate	(50.31)	(69.30)

## Notes to

forming part of the Standalone Financial Statement

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

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

### 37 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26<sup>th</sup> August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31<sup>st</sup> March, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
a) the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

### 38 Leases

#### Where the Company is a lessee:

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Not later than 1 year	13.02	13.02
Later than 1 year and not later than 5 years	11.30	11.30
Later than 5 years	-	-

ii) Amounts recognised in statement of profit and loss:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Cancellable lease expense	14.82	14.52
Non - cancellable lease expense	2.15	2.15
<b>Total</b>	<b>16.98</b>	<b>16.67</b>



## Notes to

forming part of the Standalone Financial Statement

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

### 39 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Profit for the year attributable to equity share holders	(232.79)	(191.70)
Shares		
Weighted average number of equity shares outstanding during the year – basic	82,913,915	82,913,915
Weighted average number of equity shares outstanding during the year – diluted	85,413,915	85,413,915
Earnings per share		
Earnings per share of par value ₹2 – basic (₹)	(3.52)	(2.31)
Earnings per share of par value ₹2 – diluted (₹)	(3.42)	(2.24)

### 40 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

#### 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 exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

## Notes to

forming part of the Standalone Financial Statement

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

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/Decrease in Interest rate
<b>31<sup>st</sup> March, 2021</b>	
INR	+1%
INR	-1%
<b>31<sup>st</sup> March, 2020</b>	
INR	+1%
INR	-1%

### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹767.01 mn (31<sup>st</sup> March, 2020: ₹896.69 mn). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	39.76	32.85
Credit loss provided/ (reversed)	(16.5)	6.92
Closing balance	23.21	39.76

No single customer accounts for more than 10% of the revenue as of 31<sup>st</sup> March, 2021, 31<sup>st</sup> March, 2020 and hence there is no significant concentration risk of revenue.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

### c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand
<b>Year ended 31<sup>st</sup> March, 2021</b>	
Borrowings	1,937
Trade payables	329
<b>Year ended 31<sup>st</sup> March, 2020</b>	
Borrowings	1,877
Trade payables	308





Vivimed

## Notes to

forming part of the Standalone Financial Statement

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

### 41 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31<sup>st</sup> March, 2021, 31<sup>st</sup> March, 2020 was as follows:

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Total equity attributable to the equity shareholders of the Company	5,245	5,539
As a percentage of total capital	61.86%	64.58%
Long term borrowings including current maturities	1,297	1,161
Short term borrowings	1,937	1,877
Total borrowings	3,234	3,038
As a percentage of total capital	38.14%	35.42%
<b>Total capital (equity and borrowings)</b>	<b>8,478</b>	<b>8,577</b>

### 42 Subsequent Events

There are no significant events that occurred after the balance sheet date.

### 43 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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

As per our report of even date attached

for **P C N & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 0160165

Sd/-  
**K Gopala Krishna**  
Partner  
Membership No.: 203605  
UDIN:21203605AAAAHG1610

Place: Hyderabad  
Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465

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

Sd/-  
**Ramesh Krishnamurthy**  
CEO cum CFO

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

Sd/-  
**Yugandhar Kopparthi**  
Company Secretary  
M.No:ACS19315

# Consolidated Financial Statements



Vivimed

# Independent Auditor's Report

To

**The Members of M/s VIVIMED LABS LIMITED**

**Report on the Audit of the Ind AS Consolidated Financial Statements**

## Opinion

We have audited the accompanying Consolidated Financial Statements of M/s VIVIMED LABS LIMITED ("the company"), its subsidiaries (the Company, its subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, 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 then ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information. (herein referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IndAS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2021, the consolidated loss and consolidated total comprehensive income, consolidated changes in equity and its consolidated 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 (SAs). 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 independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of

the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Emphasis of Matter

1. The Company has defaulted in payment of interest and repayment of principle to State Bank of India and EXIM Bank, loan accounts has become NPA.
2. The company is defaulted in the payment of Statutory Dues with appropriate authorities.
3. Vivimed Labs Mauritius Limited (Wholly owned Subsidiary) has lost its control over UQUIF A SCIENCES (MASCARENE) LTD during the financial year from 100% to 18.34 % holding and the investment shall become a financial asset and is to be recognized at fair value as on 31-03-2021. However the investment is still shown in books as per book value.
4. During the current financial year the company has lost control over subsidiaries in December 2020 The consolidated financials stated as on 31-03-2021 cannot be compared with the consolidated financials as on 31-03-2020 due to dilution of the equity in the current financial year.

**Our opinion is not modified in respect of the above paragraph.**

## 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:

<b>Key audit matters</b>	<b>How the matter was addressed in our audit</b>
<p><b>Contingent Liabilities and litigation Matters</b></p> <p>Refer note 2.7 of the basis of preparation of financial statements and note 34 to the Consolidated financial statements.</p> <p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area related to Income Tax, BGs, LCs and corporate guarantee to its subsidiaries. The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment.</p> <p>These provisions are based on judgements and accounting estimates made by management reflect in determining the likelihood and magnitude of an unfavourable outcome on the claims.</p> <p>Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position.</p>	<p>Our audit procedures included the following:</p> <p>We evaluating the design and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims;</p> <p>Corroborating management's assessment by:</p> <ul style="list-style-type: none"> <li>● making enquiries with the in-house legal counsel of the Company;</li> <li>● verifying correspondence, orders and appeals in respect of open litigation;</li> <li>● obtaining confirmations from internal legal counsel where relevant and/ or evaluating legal opinions obtained by the management;</li> <li>● evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and</li> <li>● evaluating adequacy of disclosures given in Note 34 to consolidated financial statements.</li> </ul>

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The 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 consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of "the Act". This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

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

Our objective is to obtain reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 our audit is conducted in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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 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 / financial information of 4 subsidiaries, whose financial statements / financial information reflect total assets before elimination of ₹7081.6 Millions as at 31<sup>st</sup> March, 2021, total revenues of ₹6569.4 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are prepared and submitted 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 these subsidiaries, and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports and information provided by the Management

### 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the 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 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the group companies is disqualified as on 31<sup>st</sup> March, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure-A” which is based on the Auditor’s reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education Protection Fund by the Company and its subsidiary companies.

**For P C N & Associates,**  
Chartered Accountants  
Firm’s Regn.No:016016S

Sd/-  
**K Gopala Krishna**  
Partner

Place: Hyderabad  
Date: 28-06-2021

M No: 203605  
UDIN:21203605AAAAHH8764



## 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 VIVIMED 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 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2021. We have audited the internal financial controls over financial reporting of M/s VIVIMED LABS LIMITED (herein referred to as "the Company") and its subsidiary companies which are companies incorporated in India, as of date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the 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 internal financial controls system over financial reporting of the Company and its Subsidiary Companies.

### 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent 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 and its subsidiary

companies 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 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the respective Companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P C N & Associates,**  
*Chartered Accountants*  
Firm's Regn.No:016016S

Sd/-

**K Gopala Krishna**

*Partner*

M No: 203605

UDIN:21203605AAAAHH8764

Place: Hyderabad

Date: 28-06-2021





Vivimed

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2021

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

Particulars	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,481.32	6,981.97
Capital work-in-progress		601.23	892.75
Goodwill		169.14	2,176.25
Intangible assets	5	1,366.27	1,293.01
<b>Financial assets</b>			
Investments	6	1,988.21	857.13
Deferred tax assets, net	7	-	-
Other non-current assets	8(A)	0.03	5.03
		<b>7,606.20</b>	<b>12,206.14</b>
<b>Current assets</b>			
Inventories	9	2,556.83	5,019.08
<b>Financial assets</b>			
Trade receivables	10	1,075.03	2,490.67
Cash and cash equivalents	11(A)	64.31	504.89
Bank balances other than cash and cash equivalents	11(B)	-	137.27
Loans	12	951.36	792.77
Others	13	-	1.86
Current tax assets	14	119.66	182.30
Other current assets	8(B)	519.90	761.21
		<b>5,287.10</b>	<b>9,890.05</b>
<b>Total assets</b>		<b>12,893.30</b>	<b>22,096.19</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	15	165.83	165.83
Instruments entirely equity in nature	16	-	3,252.21
Other equity	17	4,149.93	4,927.88
Equity attributable to the owners of the Company		4,315.76	8,345.91
Non-controlling interests		-	-
<b>Total equity</b>		<b>4,315.76</b>	<b>8,345.91</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18(A)	577.93	4,707.61
Other financial liabilities	19(A)	4,385.72	935.03
Deferred tax liabilities, net		85.95	-
Other non current liabilities	20(A)	50.03	356.34
Provisions	21(A)	67.16	51.39
		<b>5,166.79</b>	<b>6,050.37</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18(B)	1,952.47	4,185.15
Trade payables	22	342.52	2,265.01
Other financial liabilities	19(B)	911.86	792.02
Other current liabilities	20(B)	7.51	222.10
Provisions	21(B)	9.01	33.38
Current tax liabilities	23	187.38	202.25
		<b>3,410.75</b>	<b>7,699.91</b>
<b>Total liabilities</b>		<b>8,577.54</b>	<b>13,750.28</b>
<b>Total equity and liabilities</b>		<b>12,893.30</b>	<b>22,096.19</b>

Summary of significant accounting policies

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 016016S

Sd/-

**K Gopala Krishna**

Partner

Membership No.: 203605

UDIN:21203605AAAAHH8764

Place: Hyderabad

Date: 28<sup>th</sup> June, 2021

3

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Ramesh Krishnamurthy**

CEO cum CFO

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M.No:ACS19315

# Consolidated Statement of Profit & Loss

for the year ended 31<sup>st</sup> March, 2021

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

Particulars	Note	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue from operations	24	8,614.68	10,587.97
Other income	25	98.23	82.58
<b>Total income</b>		<b>8,712.91</b>	<b>10,670.55</b>
<b>Expenses</b>			
Cost of materials consumed	26	3,578.20	4,832.44
Changes in inventories and work-in-progress	27	(32.94)	(206.91)
Employee benefit expenses	28	1,897.47	2,333.57
Other operating expenses	29	1,851.47	2,445.56
Depreciation and amortisation expense	30	554.95	669.46
Finance costs	31	538.76	588.92
Other expenses	32	1,023.57	1,102.26
<b>Total expense</b>		<b>9,411.48</b>	<b>11,765.30</b>
Profit before tax		(698.57)	(1,094.75)
<b>Tax expenses</b>			
Current tax	33	33.66	37.99
Deferred tax	33	(13.37)	(41.58)
<b>Total tax expense</b>		<b>20.29</b>	<b>(3.60)</b>
<b>Profit/(Loss) for the year before non-controlling interest</b>		<b>(718.86)</b>	<b>(1,091.15)</b>
Profit/(Loss) attributable to non controlling interest		-	-
Profit/(Loss) attributable to owners of the Parent		(718.86)	(1,091.15)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on defined benefit plan		(59.10)	(10.82)
Income-tax effect	33		
<b>Total</b>		<b>(59.10)</b>	<b>(10.82)</b>
Other comprehensive income before non-controlling interest		(59.10)	(10.82)
Other comprehensive income attributable to non controlling interest		-	-
Other comprehensive income attributable to owners of the Parent		(59.10)	(10.82)
Total comprehensive income for the year before non controlling interest		(777.95)	(1,080.33)
Total comprehensive income attributable to non controlling interest		-	-
Total comprehensive income attributable to owners of the Parent		(777.95)	(1,080.33)
<b>Earnings per equity share (nominal value of ₹2) in INR</b>			
	41		
Basic		(8.67)	(13.16)
Diluted		(8.42)	(12.77)

Summary of significant accounting policies

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 0160165

Sd/-

**K Gopala Krishna**

Partner

Membership No.: 203605

UDIN:21203605AAAAHH8764

Place: Hyderabad

Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Ramesh Krishnamurthy**

CEO cum CFO

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M.No:ACS19315



Vivimed

## Consolidated Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2021

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

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	(757.66)	(1,094.75)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	529.05	601.06
Amortisation of intangible assets	25.90	68.40
Finance costs (including fair value change in financial instruments)	538.76	589.51
<b>Operating profit before working capital changes</b>	336.05	164.22
<b>Changes in working capital:</b>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	1,415.64	1,070.43
Inventories	2,462.25	617.78
Loans - current	(158.59)	(35.89)
Other assets	248.17	451.28
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	(1,922.49)	(679.23)
Other financial liabilities	3,570.52	(771.22)
Other liabilities	(520.90)	185.03
Provisions	(8.60)	(7.34)
<b>Cash generated from operations</b>	5,422.05	995.06
Income taxes paid	250.70	(199.37)
<b>Net cash generated from/(used in) operating activities</b>	<b>5,672.75</b>	<b>795.69</b>
<b>II. Cash flows from investing activities</b>		
Proceeds from sale/ (Purchase of) property, plant and equipment and intangibles (including capital work in progress), net	5171.1	(1,128.15)
Investments made during the year	(1,131.09)	(832.02)
<b>Net cash used in investing activities</b>	<b>4,040.01</b>	<b>(1,960.17)</b>

## Consolidated Statement of Cash Flow (Contd.)

for the year ended 31<sup>st</sup> March, 2021

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

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>III. Cash flows from financing activities</b>		
Share issue proceeds	(3,252.21)	9.36
Movement in non-controlling interest		
Dividend paid & sale of subsidiaries		(13.57)
Proceeds from/(repayment of) long-term borrowings, net	(4,129.67)	455.93
Proceeds from/(repayment of) short-term borrowings, net	(2,232.68)	862.14
Interest paid	(538.76)	(589.51)
<b>Net cash provided by financing activities</b>	<b>(10,153.32)</b>	<b>724.35</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(440.58)</b>	<b>(440.15)</b>
Cash and cash equivalents at the beginning of the year	504.89	945.04
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>64.31</b>	<b>504.89</b>
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	0.10	6.42
<b>Balances with banks:</b>		
- in current accounts	64.21	498.46
	<b>64.31</b>	<b>504.89</b>

Summary of significant accounting policies

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 016016S

Sd/-

**K Gopala Krishna**

Partner

Membership No.: 203605

UDIN:21203605AAAAHH8764

Place: Hyderabad

Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Ramesh Krishnamurthy**

CEO cum CFO

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M.No:ACS19315



Vivimed

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2021

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

## a. Equity Share Capital

Particulars	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March, 2019</b>	82,523,915	165.05
Changes in equity share capital during the year	390,000	0.78
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>82,913,915</b>	<b>165.83</b>
Changes in equity share capital during the year		
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>82,913,915</b>	<b>165.83</b>

## b. Instruments entirely equity in nature

Particulars	No. of shares	Amount
<b>Compulsorily convertible preference shares</b>		
<b>Balance as at 31<sup>st</sup> March, 2019</b>	5,000,000	3,252
Add: NIL	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>5,000,000</b>	<b>3,252</b>
Add: NIL	(5,000,000)	(3,252)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>-</b>

## c. Other equity

Particulars	Reserves and Surplus					Retained earnings	Total equity attributable to the owners of the Company	Non-controlling interest	Total equity
	Securities premium	Capital reserve	General reserve	Revaluation reserve	Foreign currency adjustment				
<b>Balance as of 31<sup>st</sup> March, 2019</b>	<b>2,305.22</b>	<b>8.57</b>	<b>141.16</b>	<b>380.00</b>	<b>(156.30)</b>	<b>3,342.04</b>	<b>6,020.70</b>	-	<b>6,020.70</b>
Profit for the year						(1,091.15)	(1,091.15)	-	(1,091.15)
Additions during the year	8.58					-	8.58	-	8.58
Ind AS Adjustment						-	-	-	-
Dividend paid & capital reduction of subsidiaries						0.58	0.58	-	0.58
<b>Other comprehensive income</b>									
Re-measurement gains/ (losses) on defined benefit plans, net of tax	-					(10.82)	(10.82)	-	(10.82)
<b>Balance as of 31<sup>st</sup> March, 2020</b>	<b>2,313.80</b>	<b>8.57</b>	<b>141.16</b>	<b>380.00</b>	<b>(156.30)</b>	<b>2,240.65</b>	<b>4,927.89</b>	-	<b>4,927.89</b>
Profit for the year						(718.86)	(718.86)		(718.86)
Additions during the year							-		-
Ind AS Adjustment									
Dividend paid & capital reduction of subsidiaries									
<b>Other comprehensive income</b>									
Re-measurement gains/ (losses) on defined benefit plans, net of tax							(59.10)		(59.10)
<b>Balance as of 31<sup>st</sup> March, 2021</b>	<b>2,313.80</b>	<b>8.57</b>	<b>141.16</b>	<b>380.00</b>	<b>(156.30)</b>	<b>1,521.80</b>	<b>4,149.93</b>	-	<b>4,149.93</b>

Summary of significant accounting policies

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 0160165

Sd/-

**K Gopala Krishna**

Partner

Membership No.: 203605

UDIN:21203605AAAAHH8764

Place: Hyderabad

Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Ramesh Krishnamurthy**

CEO cum CFO

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M.No:ACS19315

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2021

## 1 General Information

Vivimed Labs Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Bidder, India. The Company is primarily engaged in the Business of Active Pharmaceuticals Ingredients, CDMO Finished Dosage Formulation, Specialty Chemicals and Retail Branded Formulation manufacturing. The Company is listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

## 2 Basis of preparation of financial statements

### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies

(Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements have been prepared for the Company as going concern on the basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31<sup>st</sup> March, 2021. The financial statements were authorised for issue by the Company's Board of Directors on 28<sup>th</sup> June, 2021.

### 2.2 Group information

The consolidated financial statements of the Group includes subsidiaries and step down subsidiaries listed in the table below:

Name of investee	Relationship	Country of incorporation	Percentage of ownership/ voting rights			
			31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Finoso Pharma Private Limited	Subsidiary	India	100%	100%	100%	100%
Vivimed Specialty Chemicals Private Limited	Subsidiary	India	-	100%	100%	100%
Vivimed Holdings Limited	Subsidiary	India	100%	100%	100%	100%
Vivimed Labs USA INC.	Subsidiary	USA	100%	100%	100%	100%
Vivimed Labs Mauritius Limited	Subsidiary	Mauritius	100%	100%	100%	100%
UQUIFA India Private Limited	Step down Subsidiary	India	-	100%	100%	100%
Vivimed Labs Europe Limited	Step down Subsidiary	UK	-	100%	100%	100%
Vivimed Labs UK Limited	Step down Subsidiary	UK	-	100%	100%	100%
Vivimed Labs Spain S.L.	Step down Subsidiary	Spain	-	100%	100%	100%
Union Quimico Farmaceutica S.A.U	Step down Subsidiary	Spain	-	100%	100%	100%
Holliday International Limited	Step down Subsidiary	UK	-	100%	100%	100%
Uquifa Mexico S.A. de C.V.	Step down Subsidiary	Mexico	-	100%	100%	100%
Vivimed Labs (Mascarene) Ltd	Step down Subsidiary	Mauritius	-	100%	100%	100%
Sones Chemicals Ltd	Step down Subsidiary	Hungary	-	100%	100%	100%
Sones Research Ltd	Step down Subsidiary	Hungary	-	100%	100%	100%

# Notes to

forming part of the Consolidated Financial Statement

## 2.3 Basis of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-Group assets, liabilities, income, expenses and unrealised profits/losses on intra-Group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

## 2.4 Functional and presentation currency

The financial statements are presented in Indian rupees millions, which is the functional currency of the Group. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupee millions except share data, unless otherwise stated.

## 2.5 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

## 2.6 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### Assets:

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

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

### Liabilities:

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

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or

# Notes to

forming part of the Consolidated Financial Statement

- d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

## 2.7 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

### Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at 31<sup>st</sup> March, 2019 management assessed

that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

## 2.8 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

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

## 3 Significant accounting policies

### 3.1 Revenue recognition

Effective 1<sup>st</sup> April, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of promised products or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange of those products or services.



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- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the sale of goods includes excise duty.
- Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds
- Dividend income is accounted for when the right to receive the income is established, which is generally when shareholders approve the dividend.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Group determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 3.3 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

## 3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

# Notes to

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## 3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 3.6 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity

shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

## 3.7 Property, plant and equipment

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

## 3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

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## 3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

The Group has componentised its PPE and has separately assessed the life of major components. The Group depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

## 3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

### Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

## 3.11 Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, fuel, stores & spare parts and packing materials:  
Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at

cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

- Work-in- progress (WIP), finished goods and stock-in-trade:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 3.12 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

## 3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

## 3.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

## 3.15 Impairment of non financial assets

The carrying amounts of the Group's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments

## Notes to

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of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

### 3.16 Employee benefits

#### Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### Defined contribution plans

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

#### Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

#### Termination benefits

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

#### Other long-term employee benefits

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

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## 3.17 Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## 3.18 Contingent liabilities & contingent assets

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

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

## 3.19 Financial instruments

### a. Recognition and Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### b. Classification and Subsequent measurement

#### Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus

accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities:** Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## c. Derecognition

### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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## Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

### d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### e. Impairment

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the

financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). Presentation of allowance for expected credit losses in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

## 4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Electrical equipment	Laboratory equipment	Office equipment	Computers	Furniture	Vehicles	Books and Periodicals	Leasehold improvements	Total
<b>Gross Carrying amount</b>												
At 31 <sup>st</sup> March, 2020	1,497.65	2,484.01	4,488.59	55.47	175.57	41.85	71.91	47.37	49.96	0.29	2.03	8,914.71
Additions	62.35	62.35	70.66	41.56	83.13	62.35	12.47	20.78	-	-	-	415.64
Disposals/ adjustments	5.85	1,200.35	2,181.04	-	-	-	-	-	-	-	-	3,387.24
At 31 <sup>st</sup> March, 2021	1,554.15	1,346.01	2,378.21	97.04	258.70	104.20	84.38	68.15	49.96	0.29	2.03	5,943.12
<b>Accumulated depreciation</b>												
At 31 <sup>st</sup> March, 2020	(25.17)	306.50	1,539.52	20.95	28.94	26.97	34.15	(31.00)	31.35	0.16	0.38	1,932.75
Charge for the year	0.00	40.06	475.99	2.60	2.87	0.68	0.40	2.43	4.01	-	-	529.05
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-	-	-
At 31 <sup>st</sup> March, 2021	(25.16)	346.56	2,015.51	23.55	31.81	27.65	34.55	(28.57)	35.35	0.16	0.38	2,461.80
<b>Net Carrying amount</b>												
At 31 <sup>st</sup> March, 2020	1,522.82	2,177.51	2,949.07	34.52	146.63	14.89	37.76	78.37	18.62	0.13	1.64	6,981.97
At 31 <sup>st</sup> March, 2021	1,579.31	999.45	362.70	73.48	226.89	76.55	49.83	96.72	14.61	0.13	1.64	3,481.32

### Note

- Charge on Property, plant and equipment  
All the property, plant and equipment are subject to a first charge to secure the Group's Bank loans.
- The company has received an advance from BBR Green fields Private Limited (BBR) against the proposed sale of part of the speciality Chemical Business of the company, pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.





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

### 5 Intangible assets

Particulars	Brands, Trademarks and Technical know how	Total
<b>At 31<sup>st</sup> March, 2019</b>	1,232.29	1,232.29
Additions	563.85	563.85
Disposals/ adjustments	176.42	176.42
<b>At 31<sup>st</sup> March, 2020</b>	<b>1,619.72</b>	<b>1,619.72</b>
Additions	349.00	349.00
Disposals/ adjustments	421.65	80.70
<b>At 31<sup>st</sup> March, 2021</b>	<b>1,547.07</b>	<b>1,888.02</b>
<b>Accumulated depreciation</b>		
At 31 <sup>st</sup> March, 2019	379.65	379.65
Amortisation expense	68.38	68.38
Disposals/ adjustments	121.32	121.32
<b>At 31<sup>st</sup> March, 2020</b>	<b>326.71</b>	<b>326.71</b>
Amortisation expense	25.90	25.90
Disposals/ adjustments	171.81	171.81
<b>At 31<sup>st</sup> March, 2021</b>	<b>180.81</b>	<b>180.81</b>
<b>Carrying amount</b>		
<b>At 31<sup>st</sup> March, 2019</b>	<b>852.64</b>	<b>852.64</b>
<b>At 31<sup>st</sup> March, 2020</b>	<b>1,293.01</b>	<b>1,293.01</b>
<b>At 31<sup>st</sup> March, 2021</b>	<b>1,366.27</b>	<b>1,366.27</b>

The company has received an advance from BBR Green fields Private Limited(BBR) against the proposed sale of part of the speciality Chemical Business of the company, pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.

### 6 Investments

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Non-current investments</b>		
<b>Investments carried at fair value through profit and loss</b>		
<b>Investments in others</b>		
<b>Unquoted equity shares</b>		
2,500,000 (31 <sup>st</sup> March, 2020: 2,500,000) equity shares of ₹10 each in Yantra Green Power Private Limited	25.00	25.00
Others	1,963.21	832.13
<b>Total</b>	<b>1,988.21</b>	<b>857.13</b>
Total investments carried at fair value through profit and loss	1,988.21	857.13

## Notes to

forming part of the Consolidated Financial Statement

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

### 7 Deferred tax assets, net

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deferred tax asset		
- Tangible and Intangible assets		
- Provision allowed under tax on payment basis		
- Expected credit loss on financial assets	-	137.27
- MAT credit entitlement		
<b>Total</b>	<b>-</b>	<b>137.27</b>
Deferred tax liability	85.95	-
<b>Total</b>	<b>85.95</b>	<b>-</b>

### 8 Other assets

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-current</b>		
Unsecured, considered good		
Capital advances		
Advances other than capital advances	0.03	
Prepaid leases		5.03
	<b>0.03</b>	<b>5.03</b>
<b>(B) Current</b>		
Unsecured, considered good		
Advances other than capital advances		
Other advances	335.58	434.48
Prepaid expenses	155.59	298.00
Export incentives	28.73	28.73
	<b>519.90</b>	<b>761.21</b>

### 9 Inventories

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Materials	1,497.39	2,261.20
Packing Materials	87.54	94.29
Semi-finished & Work-in-process	324.24	963.84
Finished Goods (including Goods in transit)	647.65	1,699.75
<b>Total</b>	<b>2,556.83</b>	<b>5,019.08</b>



## Notes to

forming part of the Consolidated Financial Statement

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

### 10 Trade receivables

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Unsecured, considered good	1,098.24	2,524.20
	<b>1,098.24</b>	<b>2,524.20</b>
Less: Allowance for doubtful receivables	(23.21)	(33.53)
<b>Total</b>	<b>1,075.03</b>	<b>2,490.67</b>

### 11 Cash and cash equivalents

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i) Balances with banks:		
- On current accounts	64.21	498.46
ii) Cash on hand	0.10	6.42
<b>(A) Total -(i+ii)</b>	<b>64.31</b>	<b>504.89</b>
iii) Bank balances other than cash and cash equivalents stated above		
- Unpaid dividend account		-
<b>(B) Total (iii)</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii+iii)</b>	<b>64.31</b>	<b>504.89</b>

### 12 Loans (Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current</b>		
Security deposits	751.91	593.32
Loans and advances to related parties	121.20	121.20
Loans to employees and others	78.25	78.25
<b>Total</b>	<b>951.36</b>	<b>792.77</b>

### 13 Other financial assets

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current</b>		
Interest receivable	-	1.86
	<b>-</b>	<b>1.86</b>

## Notes to

forming part of the Consolidated Financial Statement

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

### 14 Current tax assets

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Advance tax and TDS receivable	119.66	182.30
Less: Provision for taxes	-	-
<b>Total</b>	<b>119.66</b>	<b>182.30</b>

### 15 Share Capital

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Authorised Share Capital</b>		
2,00,000,000 (31 <sup>st</sup> March, 2020: 2,00,000,000) equity shares of ₹2 each.	400.00	400.00
7,10,000 (31 <sup>st</sup> March, 2020: 7,10,000) preference shares of ₹1,000 each.	710.00	710.00
	<b>1,110.00</b>	<b>1,110.00</b>
<b>Issued, subscribed and fully paid-up</b>		
8,29,13,915 (31 <sup>st</sup> March, 2020: 82,523,915) equity shares of ₹2/- each fully paid-up.	165.83	165.83
	<b>165.83</b>	<b>165.83</b>

#### (a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	Number of Shares	Value
<b>Balance at 31<sup>st</sup> March, 2020 (Equity shares of ₹2/- each fully paid-up)</b>	<b>82,913,915</b>	<b>165.83</b>
Issued during the year (Equity shares of ₹2/- each fully paid)		
<b>Balance at 31<sup>st</sup> March, 2021 (Equity shares of ₹2/- each fully paid-up)</b>	<b>82,913,915</b>	<b>165.83</b>

#### (b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Equity shares of ₹2/- each fully paid</b>		
BBR Projects Private Limited		
Number of shares held	10,712,000	12,312,000
% of holding	12.92%	14.85%
Kitara PIIN 1102		
Number of shares held	8,810,562	9,150,685
% of holding	10.63%	11.04%
Santosh Varalwar		
Number of shares held	3,699,050	5,599,050
% of holding	4.46%	6.75%



## Notes to

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

### 16 Instruments entirely equity in nature

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Compulsorily convertible preference shares</b>		
<b>Authorised Share Capital</b>		
Issued, subscribed and fully paid-up	-	3,252.21
	-	<b>3,252.21</b>

### 17 Other equity

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Securities premium</b>		
Opening balance	2,313.80	2,305.22
Additions during the year	-	8.58
<b>Closing balance</b>	<b>2,313.80</b>	<b>2,313.80</b>

Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Capital reserve</b>		
Opening balance	8.57	8.57
Additions during the year	-	-
<b>Closing balance</b>	<b>8.57</b>	<b>8.57</b>
<b>General reserve</b>		
Opening balance	141.16	141.16
Add: Transfers during the year	-	-
<b>Closing balance</b>	<b>141.16</b>	<b>141.16</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Revaluation reserve</b>		
Opening balance	380.00	380.00
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>380.00</b>	<b>380.00</b>
<b>Foreign currency adjustment</b>		
Opening balance	(156.30)	(156.30)
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>(156.30)</b>	<b>(156.30)</b>
Retained earnings		
Opening balance	2,240.65	3,342.04
Profit/(loss) for the year	(718.86)	(1,091.15)
Additions during the year	-	-

## Notes to

forming part of the Consolidated Financial Statement

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Ind AS Adjustment	-	-
Dividend paid/sale of subsidiaries	-	0.58
Other comprehensive income	(59.10)	(10.82)
<b>Closing balance</b>	<b>1,462.70</b>	<b>2,240.65</b>
<b>Total other equity</b>	<b>4,149.93</b>	<b>4,927.88</b>

## 18 Borrowings

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-current Borrowings</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
- From Banks (refer note A below)	6.89	4,138.78
- From Financial institutions (refer note A below)	0.57	
<b>Redeemable preference shares</b>		
- From Financial institutions (refer note C below)		
<b>Other loans</b>		
- From financial institutions	7.73	8.02
<b>Unsecured loans</b>		
Sales tax deferment loan (refer note B below)	3.66	7.71
FCCB's From Financial Institutions (refer note C below)	559.07	553.10
<b>Total non-current borrowings</b>	<b>577.93</b>	<b>4,707.61</b>
<b>(B) Current Borrowings</b>		
<b>Secured loans repayable on demand</b>		
<b>Working capital loans</b>		
- Cash credit and packing credit loans (refer note D below)	1,952.47	4,185.15
- Foreign bills discounting		
-Others		
<b>Total current borrowings</b>	<b>1,952.47</b>	<b>4,185.15</b>

### A. Term loans:

Term loan from Banks consists of:

Loan taken from SBI for USD 10.1 million repayable in 16 instalments from October 2017 to June 2021. This loan carries an interest rate of 5.84%.

Term loan from Financial Institutions consists of:

ECB loan taken from IFC for USD 12.5 million repayable in 10 instalments from June 2015 to December 2019. This loan carries an interest rate of 6.02%.

All the term loans are secured by a charge on the moveable and immovable assets of the Group, present and future, with a paripassu charge.



## Notes to

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

### B. Sales tax deferrment loan:

The Company has been granted an interest free sales tax deferrment loan by the Government of Andhra Pradesh. This loan is unsecured.

### C. FCCB's from Financial Institutions:

The Company has obtained an FCCB from IFC in June 2011 for an amount of USD 7.5 million repayable in 5 years with a coupon rate of 0.55% per annum and an interest rate of 4.23% per annum compounded semiannually if the conversion option is not exercised. Subsequently, during the year, the due date for payment has been extended upto 30<sup>th</sup> September, 2019. The entire portion was classified under "Borrowings", and there is no equity portion of the instrument.

### D. Cash credits and packaging credit loans:

The Company has working capital facilities in the form of cash credits and packaging credit from multiple Banks with interest rates varying between 1.55% to 14.75%.

During the year, EXIM Bank have not renewed PCFC facility and the loan was called back during the year.

## 19 Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-Current</b>		
Creditors for capital goods	171.63	144.41
Payable to related parties	4,214.10	790.62
	<b>4,385.72</b>	<b>935.03</b>
<b>(B) Current</b>		
Current maturities of long-term debts	725.77	534.18
Employee salaries payable	94.40	166.16
Employee bonus payable	56.25	56.25
Provision for expenses	35.44	35.44
	<b>911.86</b>	<b>792.02</b>

## 20 Other liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-Current</b>		
Deferred interest		
Advances received	49.66	355.97
Grants receivable	0.37	0.37
	<b>50.03</b>	<b>356.34</b>
<b>(B) Current</b>		
Statutory liabilities	7.51	222.10
	<b>7.51</b>	<b>222.10</b>

## Notes to

forming part of the Consolidated Financial Statement

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

### 21 Provisions

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Non-Current</b>		
Provision for employee benefits		
- Gratuity (refer note 36)	63.13	47.36
- Compensated absences	-	-
Provision for others	4.04	4.04
	<b>67.16</b>	<b>51.39</b>
<b>(B) Current</b>		
Provision for employee benefits		
- Gratuity (refer note 36)	9.01	33.38
- Compensated absences		
	<b>9.01</b>	<b>33.38</b>

### 22 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer note 37)		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	342.52	2,265.01
	<b>342.52</b>	<b>2,265.01</b>

### 23 Current tax liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for taxes	187.38	202.25
Less: Advance tax and TDS receivable		-
	<b>187.38</b>	<b>202.25</b>

### 24 Revenue from operations

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Revenue from sale of products</b>		
Domestic	3,196.21	2,412.08
Export	5,215.99	7,463.22
	<b>8,412.20</b>	<b>9,875.30</b>
Other operating revenue	202.49	712.67
	<b>8,614.68</b>	<b>10,587.97</b>





## Notes to

forming part of the Consolidated Financial Statement

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

### 25 Other income

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Grants received		0.38
Miscellaneous income	98.23	82.20
	<b>98.23</b>	<b>82.58</b>

### 26 Cost of materials consumed

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Opening Stock of Raw Materials and Consumables	2,505.13	2,570.06
Opening Stock of Packing Materials	94.29	90.52
Opening Stock of Raw Materials (JDV)	-	-
Opening Stock of Packing Materials (JDV)	-	-
Add : Purchases during the year	2,563.72	4,771.28
	<b>5,163.14</b>	<b>7,431.85</b>
Less : Closing Stock of Raw Materials and Consumables	1,497.39	2,505.13
Less : Closing Stock of Packing Materials	87.54	94.29
	<b>3,578.20</b>	<b>4,832.44</b>

### 27 Changes in inventories and Work-in-progress

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Finished Goods</b>		
Inventories at the beginning of the year	1,958.39	1,803.05
Less : Inventories at the end of the year	647.65	1,958.39
<b>Sub Total (A)</b>	<b>1,310.74</b>	<b>(155.34)</b>
<b>Semi Finished Goods &amp; Work-in-Progress</b>		
Inventories at the beginning of the year	958.31	873.81
Less : Inventories at the end of the year	324.24	958.31
<b>Sub Total (B)</b>	<b>634.07</b>	<b>(84.50)</b>
<b>Goods in transit and stock in trade</b>		
Fluctuation in foreign exchange	204.78	32.93
Changes in Inventories diff (Divestment of Subsidiaries)	(2,182.52)	-
<b>(Increase) / Decrease in Inventories</b>	<b>(32.94)</b>	<b>(206.91)</b>

## Notes to

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

### 28 Employee benefits expense

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Salaries, wages and bonus	1,848.19	2,240.98
Staff welfare expenses	49.29	92.60
	<b>1,897.47</b>	<b>2,333.57</b>

### 29 Other operating expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Consumption of Stores & Spares	184.17	193.49
Power & Fuel	335.20	424.60
Wages & Allowances	5.52	7.41
Labour Charges	214.94	176.78
Repairs to Building	18.24	7.77
Repairs to Machinery	229.96	220.63
Other Manufacturing Expenses	597.27	995.54
Loss on sale of asset	-	68.70
Job Work Charges	1.81	1.76
R & D Expenses	264.37	348.88
	<b>1,851.47</b>	<b>2,445.56</b>

### 30 Depreciation and amortisation expense

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Depreciation of tangible assets	528.95	601.06
Amortization of intangible assets	26.00	68.40
	<b>554.95</b>	<b>669.46</b>

### 31 Finance costs

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Interest on term loans, ECB loans and vehicle loans	129.04	208.87
Interest on working capital loan and cash credit	376.13	372.62
Other borrowing cost	33.58	7.43
	<b>538.76</b>	<b>588.92</b>



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

### 32 Other expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Business & Marketing Expenses	32.42	42.94
Bank charges	18.28	21.35
Commission & Discounts	93.90	66.89
Travelling Expenses - Foreign	1.96	22.73
Other selling expenses	16.19	28.37
Printing & Stationery	6.04	9.45
Telephone & Postage Expenses	10.61	17.52
Travelling Expenses	39.77	58.79
Rates & Taxes	37.32	47.73
Conveyance	6.56	8.62
Consultancy Charges	134.90	279.85
Insurance	34.84	50.88
Rent	71.33	78.62
Other Administrative Expenses	391.90	357.50
Processing fee on term loans	3.60	11.32
Provision against doubtful receivables	-	6.92
Fluctuation on Foreign exchange	91.30	(36.87)
Payment to Auditors:		
(i) As Auditor	32.48	26.34
(ii) For Taxation Matters	0.17	3.29
	<b>1,023.57</b>	<b>1,102.26</b>

### 33 Tax expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Current income tax:</b>		
Current income tax charge	33.66	37.99
<b>Deferred tax:</b>	-13.37	
Relating to originating and reversal of temporary differences		(41.58)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>20.29</b>	<b>(3.60)</b>

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Re-measurement gains/ (losses) on defined benefit plan	(59.10)	(10.28)
<b>Income tax charge to OCI</b>	<b>(59.10)</b>	<b>(10.28)</b>

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

### 34 Contingent liabilities and commitments

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>i) Contingent liabilities:</b>		
- Corporate guarantees given on behalf of others	15.00	24.30
- Letter of credit outstanding	-	-
- Bank guarantees	19.31	23.06
- Income tax demand	2,172.29	68.02
<b>ii) Commitments:</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances		

### 35 Related party disclosures

#### a) Names of related parties and description of relationship

Joint venture Group	-
Key Management Personnel ("KMP")	Santosh Varalwar (Managing Director) Ramesh Krishnamurthy (CEO) Manohar Rao Varalwar (Executive Director) Sandeep Varalwar (Executive Director) Yugandhar Kopparthi (Company Secretary)

#### b) Transactions with related parties

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Key Management Personnel</b>		
Remuneration Paid*	39.81	27.50
<b>Subsidiaries and step down subsidiaries</b>		
Sale of goods	97.04	36.71
Purchase of goods	7.99	73.25
Advances given	319.30	580.61
Advances received	3.47	1,155.86

\*Does not include insurance, which is paid for the Group as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.

#### c) Details of balances receivable from and payable to related parties are as follows:

Name of Related Party	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Yantra Green Power	(6.02)	(8.62)
BBR Green fields Private Limited	(958.53)	(973.40)

The company has received an advance from BBR Green fields Private Limited (BBR) against the proposed sale of part of the speciality Chemical Business of the company, pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.



## Notes to

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

### d) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

### e) Others:

The Company has given Corporate Guarantee for the credit facilities of ₹15 Mn availed by the Subsidiaries.

## 36 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

The Group has two reportable segments - Speciality Chemicals Business and Pharma Business.

The segment revenue, profitability, assets and liabilities are as under:

Revenue by segment	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
a) Speciality Chemicals	535.09	1,010.49
b) Pharma	8,079.59	9,577.48
c) Others		
<b>Total revenue</b>	<b>8,614.67</b>	<b>10,587.97</b>
Segment Results	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>(Profit before Tax &amp; Interest)</b>		
a) Speciality Chemicals	(216.49)	(53.21)
b) Pharma	(2.40)	(452.63)
c) Others		
<b>Total:</b>	<b>(218.90)</b>	<b>(505.84)</b>
Less: (i) Interest	538.76	588.92
(ii) Unallocable expenditure (Net of Un allocable income)		
<b>Total Profit before tax</b>	<b>(757.66)</b>	<b>(1,094.76)</b>
Segment Assets	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
a) Speciality Chemicals	1,975	1,925
b) Pharma	10,918	20,171
<b>Total</b>	<b>12,893</b>	<b>22,096</b>
Segment Liabilities		
a) Speciality Chemicals	1,181	1,063
b) Pharma	7,397	12,687
<b>Total</b>	<b>8,578</b>	<b>13,750</b>
Capital Employed		
a) Speciality Chemicals	1,092	1,659
b) Pharma	8,387	12,734
<b>Total</b>	<b>9,479</b>	<b>14,393</b>

## Notes to

forming part of the Consolidated Financial Statement

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

### 37 Auditors' remuneration include:

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Statutory audit fee (including limited review)	32.48	26.34
Taxation matters	0.17	3.29
<b>Total</b>	<b>32.66</b>	<b>29.63</b>

### 38 Gratuity

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Opening balance</b>	95.59	50.92
Current service cost	6.27	5.41
Interest cost	6.50	3.90
Benefits paid	-	(1.20)
Actuarial gain	(57.97)	10.34
<b>Closing balance</b>	<b>50.39</b>	<b>69.37</b>
Present value of projected benefit obligation at the end of the year	50.39	69.37
Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet	50.39	69.37
Current provision	1.56	14.43
Non current provision	48.83	54.94

Expenses recognised in statement of profit and loss	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Service cost	6.27	5.41
Interest cost	6.50	3.90
<b>Gratuity cost</b>	<b>12.77</b>	<b>9.31</b>
<b>Re-measurement gains/ (losses) in OCI</b>		
Actuarial gain / (loss) due to others	(57.97)	10.34
Remeasurement because of OB difference	-	0.38
Return on plan assets greater (less) than discount rate	-	0.10
<b>Total expenses routed through OCI</b>	<b>(57.97)</b>	<b>10.82</b>

Assumptions	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Discount rate (per annum)	6.80%	6.80%
Future salary increases	5.00%	5.00%



## Notes to

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

**A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Impact of 1% increase in discount rate	46.24	(73.67)
Impact of 1% decrease in discount rate	(55.20)	65.56
Impact of 1% increase in salary growth rate	58.21	75.11
Impact of 1% decrease in salary growth rate	(43.46)	(64.28)
Impact of 1% increase in attrition rate	53.71	71.70
Impact of 1% decrease in attrition rate	(46.70)	(66.80)
Impact of 1% increase in mortality rate	50.47	69.43
Impact of 1% decrease in mortality rate	(50.31)	(69.30)

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

### 39 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26<sup>th</sup> August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31<sup>st</sup> March, 2021 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
a) the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

### 40 Leases

**Where the Group is a lessee:**

The Group has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

## Notes to

forming part of the Consolidated Financial Statement

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

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 Mar 2021	As at 31 March 2020
Not later than 1 year	13.02	13.02
Later than 1 year and not later than 5 years	11.30	11.30
Later than 5 years	-	-

ii) Amounts recognised in statement of profit and loss:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Cancellable lease expense	69.18	76.47
Non - cancellable lease expense	2.15	2.15
<b>Total</b>	<b>71.33</b>	<b>78.62</b>

### 41 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Profit for the year attributable to equity share holders	(718.86)	(1,091.15)
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	82,913,915	82,913,915
Weighted average number of equity shares outstanding during the year – diluted	85,413,915	85,413,915
<b>Earnings per share</b>		
Earnings per share of par value ₹2 – basic (₹)	(8.67)	(13.16)
Earnings per share of par value ₹2 – diluted (₹)	(8.42)	(12.77)

### 42 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.





## Notes to

forming part of the Consolidated Financial Statement

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

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Group does not enter into any interest rate swaps.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/Decrease in Interest rate
<b>31<sup>st</sup> March, 2021</b>	
INR	+1%
INR	-1%
<b>31<sup>st</sup> March, 2020</b>	
INR	+1%
INR	-1%
<b>31<sup>st</sup> March, 2019</b>	
INR	+1%
INR	-1%

### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

## Notes to

forming part of the Consolidated Financial Statement

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

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹1075.03 mn (31<sup>st</sup> March, 2020: ₹2,524.79 mn). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	33.53	29.69
Credit loss provided/ (reversed)	(10.32)	3.84
Closing balance	23.21	33.53

No single customer accounts for more than 10% of the revenue as of 31<sup>st</sup> March, 2021, 31<sup>st</sup> March, 2020 and hence there is no significant concentration risk of revenue.

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

### c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand
<b>Year ended 31<sup>st</sup> March, 2021</b>	
Borrowings	1,952
Trade payables	343
<b>Year ended 31<sup>st</sup> March, 2020</b>	
Borrowings	4,153
Trade payables	2,265

## 43 Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.



Vivimed

## Notes to

forming part of the Consolidated Financial Statement

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

The capital structure as of 31<sup>st</sup> March, 2021, 31<sup>st</sup> March, 2020 was as follows:

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Total equity attributable to the equity shareholders of the Group	4,316	8,346
As a percentage of total capital	57.00%	46.96%
Long term borrowings including current maturities	1,304	5,242
Short term borrowings	1,952	4,185
Total borrowings	3,256	9,427
As a percentage of total capital	43.00%	53.04%
<b>Total capital (equity and borrowings)</b>	<b>7,572</b>	<b>17,773</b>

### 44 Subsequent Events

There are no significant events that occurred after the balance sheet date.

### 45 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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

As per our report of even date attached

for **P C N & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 016016S

Sd/-

**K Gopala Krishna**  
Partner  
Membership No.: 203605  
UDIN:21203605AAAAHH8764

Place: Hyderabad  
Date: 28<sup>th</sup> June, 2021

for and on behalf of the Board of Directors of  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**  
Managing Director  
DIN: 00054763

Sd/-  
**Ramesh Krishnamurthy**  
CEO cum CFO

Sd/-

**Manohar Rao Varalwar**  
Whole-Time Director  
DIN: 00059815

Sd/-  
**Yugandhar Kopparthi**  
Company Secretary  
M.No:ACS19315

# Notice

Notice is hereby given that the 33<sup>RD</sup> Annual General Meeting of the members of M/s.Vivimed Labs Limited will be held on Friday, 17<sup>th</sup> February, 2023 at 12:30 P.M. (IST) at the Registered Office, Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

(a) **“RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

(b) **“RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Subhash Varalwar [DIN: 00054789], who retires by rotation and, being eligible, seeks re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr.Subhash Varalwar [DIN: 00054789], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint a Director in place of Mr. Sandeep Varalwar [DIN:01682951], who retires by rotation and, being eligible, seeks re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sandeep Varalwar [DIN:01682951], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint a Director in place of Mr. Manohar Rao Varalwar [DIN: 00059815], who retires by rotation and, being eligible,

seeks re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manohar Rao Varalwar [DIN: 00059815], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation

## SPECIAL BUSINESS:

5. **To ratify the remuneration payable to M/s. A.S. Rao & Co, Cost Accountants to audit the cost records for the financial year ending 31<sup>st</sup> March, 2022.**

To consider and, if thought fit, with or without modification, to pass the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. A.S. Rao & Co, Cost Accountants (Firm Registration No.000326) appointed as the Cost Auditors of the Company for conducting audit of the cost records, if required, for the financial year ending 31<sup>st</sup> March, 2022, be paid remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding GST and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.”

**“RESOLVED FURTHER THAT** the Board of Directors/ CFO / Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

By order of the Board  
for **Vivimed Labs Limited**

Sd/-

**K. Yugandhar**

Company Secretary

Place: Hyderabad

Date: 13-01-2023



**NOTES:**

1. As required under SS-2 issued by ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to Annual Report and forms part of this Notice.
2. All Members are requested to.
  - Intimate immediately any change in their address/ email ids/ Bank account details along with self- attested documentary proofs to Company's Registrar and Share Transfer Agent (RTA):  
Aarthi Consultants Private Limited  
1-2-285, Domalguda, Hyderabad – 500029  
Phone : 040-27638111/27634445,Fax: 040-27632184,  
Email: info@aarthiconsultants.com
  - Forward all Share Transfers and other communications/ correspondence to the RTA.
  - Inform change in address directly to their respective depository participants in case members are holding shares in demat form.
  - Always quote their Folio no. / Client ID no. in all their correspondence with the RTA.
3. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
4. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself/herself, and that a proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the company. A member holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other member.
5. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamp not been cancelled, will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid.
6. Proxies to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
7. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company.
8. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting and vote.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members are requested to bring their Original photo ID (like PAN Card, Aadhar Card, Voter Identity Card, etc, having photo identity) while attending the meeting.
11. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
12. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested maintained under the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer books will remain closed from Monday, of 13<sup>th</sup> February, 2023 to Friday, of 17<sup>th</sup> February, 2023 (both days inclusive).
14. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth

Amendment) Regulations, 2018 on 8<sup>th</sup> June, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.

15. In case of any queries regarding the Annual Report, members may write to [yugandhar.kopparthi@vivimedlabs.com](mailto:yugandhar.kopparthi@vivimedlabs.com) to receive an email response. Members desiring any information relating to the financial statements at the meeting are requested to write to us at least ten (10) days before the meeting to enable us to keep the information ready.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participant with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company - M/s. Aarthi Consultants Private Limited.
17. Non Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable, if such details were not furnished earlier
18. The Notice of 33<sup>rd</sup> Annual General Meeting and instructions for e-voting along with Assent / Dissent Form, Attendance Slip and Proxy Form are being sent by electronic mode only to all members whose email address are registered with the Company/Depository Participant(s).
19. The Notice calling the AGM along with Annual Report has been uploaded on the website of the Company at <http://www.vivimedlabs.com>. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at <http://www.bseindia.com> & National Stock Exchange Of India Limited at <http://www.nseindia.com> and the same is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. <https://www.evotingindia.com>.
20. In compliance with the MCA Circulars and SEBI Circulars, the Notice of the 33<sup>rd</sup> Annual General Meeting along with the Annual Report for the financial year 2020-21 is being

sent only by electronic mode to those members whose email addresses are registered with the Company/RTA/ Depositories. Members may note that the Notice of annual general meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website <http://www.vivimedlabs.com> and the websites of the Stock Exchanges i.e. on BSE Limited at <http://www.bseindia.com> & National Stock Exchange Of India Limited at <http://www.nseindia.com>

21. Members whose names appear on the Register of Members/ List of Beneficial Owners as on Saturday of 11<sup>th</sup> February, 2023 will be considered for the purpose of voting.
22. The facility for voting shall be made available at the venue of the Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
23. We request you to update your e-mail address with the Company's RTA, if not yet registered, to ensure that the annual report and other documents reach you on your preferred e-mail.

#### **E-Voting process**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 33<sup>rd</sup> Annual General Meeting to be held on Friday, 17<sup>th</sup> day of February, 2023. The Company has engaged the services of CDSL to provide the e-voting facility at the link <https://www.evotingindia.com>. The Company has also appointed Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday of 11<sup>th</sup> February, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.



Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered with CDSL for remote-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on <https://www.evotingindia.com>.

Members may cast their votes on electronic voting system from any place (remote e-voting). The voting period begins on Tuesday, 14<sup>th</sup> February, 2023 at 09.00 a.m. and ends on Thursday, 16<sup>th</sup> February, 2023 at 05.00 p.m. (preceding the date of AGM). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday of 11<sup>th</sup> February, 2023. i.e. cutoff date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

The facility for voting either through polling paper shall be made available at the venue of the Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than within two working days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

The results declared along with Scrutinizers' Report shall be placed on the Company's website <http://www.vivimelabs.com/> within two working days of the passing of the resolutions at the 33<sup>rd</sup> AGM of the Company and shall be immediately communicated to BSE & NSE, where the shares of the Company are listed.

**THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING:**

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

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

- (i) The voting period begins on Tuesday, 14<sup>th</sup> February, 2023 at 09.00 a.m and ends on Thursday, 16<sup>th</sup> February, 2023 at 05.00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 11<sup>th</sup> February, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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





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

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

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

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
- 6) If you are a first-time user follow the steps given below:

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

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

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

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

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

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to

the Company at the email address viz; Yugandhar. Kopparthi@vivimedlabs.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

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

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

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

Item No.5: The Board of Directors at its meeting held on 13<sup>th</sup> January, 2023, had approved the re-appointment of M/s.A.S.Rao & Co, Cost Accountants (Firm Registration No.000326), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31<sup>st</sup> March, 2022, at a remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding GST and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and



## Vivimed

Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the members of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out at Item No.5 for ratification of remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, if required, for the financial year ending 31<sup>st</sup> March, 2022.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the

proposed Ordinary Resolution as set out at Item No.5 of the Notice, except to the extent of their shareholding, if any, in the Company.

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

By order of the Board  
for **Vivimed Labs Limited**

Sd/-

**Kopparthi Yugandhar**

*Company Secretary*

Place: Hyderabad

Date: 13-01-2023

**ANNEXURE – A**

**FORM FOR REGISTRATION OF EMAIL ADDRESS FOR  
RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE**

To

**Aarathi Consultants Private Limited**

1-2-285, Domalguda, Hyderabad – 500029

Phone : 040-27638111/27634445, Fax : 040-27632184

Email : info@aarthiconsultants.com.

**Company: Vivimed labs Limited**

I agree to receive all documents / notices including the Annual Report of the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : \_\_\_\_\_

DP ID / Client ID / Regd. Folio No. : \_\_\_\_\_

PAN No. : \_\_\_\_\_

E-mail Address : \_\_\_\_\_

Date:

Place:

\_\_\_\_\_  
(Signature of Member)



## ANNEXURE - B

DETAILS OF DIRECTORS SEEKING APPOINTMENT/  
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Particulars		
	Subhash Varalwar	Sandeep Varalwar	Manohar Rao Varalwar
Director Identification Number	00054789	01682951	00059815
Date of Birth	05-02-1948	29-09-1968	01-09-1936
Nationality	Indian	Indian	Indian
Date of Appointment	09-11-1989	23-01-2008	10-11-1994
Qualifications	Post Graduate in Chemical Engineering and a Management Graduate from Leeds University, U.K.	Graduation in B.Pharmacy	Post-graduation in Veterinary Sciences from Edinburgh University, U.K.
Shareholding in the Company	16,16,200 Equity shares	18,75,647 Equity shares	10,34,225 Equity shares
Expertise in specific functional areas	He has around 44 years of experience in Production, Quality control and R&D function	He has more than 31 years of rich experience in manufacturing and marketing divisions of Pharma industry	He has around 54 years of experience in Administration, Biotechnology, pharmaceutical /chemicals products manufacturing and marketing
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)	NIL	NIL	NIL
Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/ Investors Grievance Committee)	NIL	NIL	NIL



**Vivimed**

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Registered office: Plot No.78-A, Kolhar Industrial Area, Bidar, Karnataka 585403

## PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	_____
Registered address:	_____ _____
E-mail Id:	_____
Folio No/ Client Id:	_____
DP ID:	_____

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual general meeting of the company, to be held on the Friday, 17<sup>th</sup> February, 2023 at 12:30 P.M.at 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka State and at any adjournment thereof in respect of such resolutions as are indicated below:





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Resolution No(s).	Resolutions	Vote (Optional)	
		For	Against
<b>Ordinary Business:</b>			
1 (a)	To receive, consider and adopt the Standalone Balance Sheet as at 31 <sup>st</sup> March, 2021, Statement of Profit and Loss for the Financial Year ended on 31 <sup>st</sup> March, 2021, Cash Flow Statement for the Financial Year ended 31 <sup>st</sup> March, 2021 and reports of Directors and Auditors thereon.		
(b)	To receive, consider and adopt the Consolidated Balance Sheet as at 31 <sup>st</sup> March, 2021, Statement of Profit and Loss for the Financial Year ended on 31 <sup>st</sup> March, 2021, Cash Flow Statement for the Financial Year ended 31 <sup>st</sup> March, 2021 and Report of Auditors thereon.		
2	To appoint Director in place of Mr. Subhash Varalwar [DIN: 00054789], who retires by rotation and being eligible offers for re appointment.		
3	To appoint Director in place of Mr. Sandeep Varalwar [DIN:01682951], who retires by rotation and being eligible offers for re appointment.		
4	To appoint Director in place of Mr. Manohar Rao Varalwar [DIN: 00059815], who retires by rotation and being eligible offers for re appointment.		
<b>Special Business:</b>			
5	To ratify the remuneration payable to cost auditor		

Signed this ..... day of ..... 2023

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp
---------------------------

**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**Vivimed**

**VIVIMED LABS LIMITED**

CIN: L02411KA1988PLC009465

Regd. Office: Plot No.78-A, Kolhar Industrial Area, Bidar - 585403, Karnataka

Email: yugandhar.kopparthi@vivimedlabs.com, Website: vivimedlabs.com,

Tel: 08482 - 232045, Fax: 08482 - 232436

## ATTENDANCE SLIP

### Thirty Third Annual General Meeting

DP ID \_\_\_\_\_

(To be presented at the entrance)

Folio No./Client ID \_\_\_\_\_

I/We hereby record my/our presence at the **33<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company at Registered office: 78/A, Kolhar Industrial Area, Bidar - 585403, Karnataka on **Friday, 17<sup>th</sup> February, 2023 at 12:30 P.M.**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

\_\_\_\_\_  
Signature of the Member/ Proxy



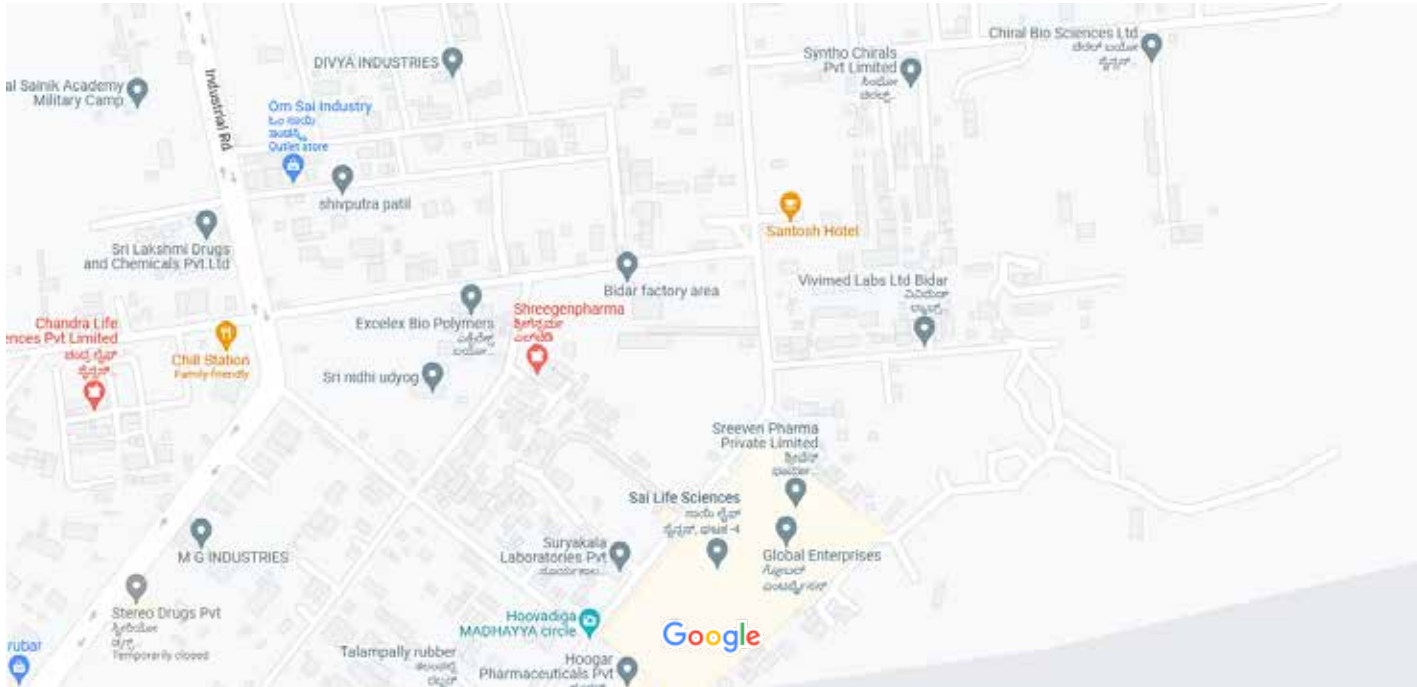




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## Route Map to AGM Venue

Google Maps



Map data ©2022 100 m





**Vivimed**

**VIVIMED LABS LIMITED**

(CIN: L02411KA1988PLC009465)

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

[www.vivimedlabs.com](http://www.vivimedlabs.com)