



Vivimed



PROGRESSING WITH POISE

Vivimed Labs Limited
Annual Report 2021-22



Vivimed



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EVERY BUSINESS ENTERPRISE IS PROPELLED FORWARD BY ITS DESIRE FOR
PROGRESS...

BUT PROGRESS DOESN'T HAPPEN OVERNIGHT. IT INVOLVES TAKING ONE STEP
AT A TIME WITH COURAGE, CONVICTION, RESOLVE AND HONESTY OF PURPOSE.
IT DEMANDS UNWAVERING FOCUS AND COMMITMENT TO STAY THE COURSE
THROUGH SEEMINGLY INSURMOUNTABLE ADVERSITIES WHEN SURVIVAL
BECOMES A CHALLENGE.

...BUT AS THEY SAY, "WHEN THE 'GOING' GETS TOUGH, THE TOUGH GETS 'GOING!'"

AT VIVIMED, WE UNDERSTAND THAT OUR TRANSFORMATION IS IMPERATIVE
TO FACE MARKET INSTABILITY, UNPRECEDENTED DISRUPTIONS AND GROWING
HUMAN ASPIRATIONS.

WE ARE PERSEVERING TOWARDS OUR GOAL ONE STEP AT A TIME. BECAUSE
WE BELIEVE THAT A LITTLE PROGRESS EACH DAY WOULD ADD UP TO
SATISFYING RESULTS AND HELP US EMERGE VICTORIOUS EVENTUALLY BY
ENDURING HARD TIMES.

WE REALISE THAT WE ARE NOT THERE YET, BUT ARE CLOSER NOW THAN WE
WERE YESTERDAY...

AND WE ARE DETERMINED TO MARCH AHEAD,

AND PROGRESS WITH POISE.



ABOUT VIVIMED

We are a chemistry-focused company which leverages its skills, resources and infrastructure in developing niche pharmaceutical solutions (formulations) and specialty chemicals (active ingredients).

6

Manufacturing facilities

2

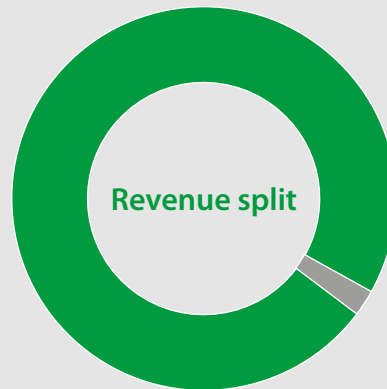
R&D facilities

238.56

Revenue (₹ crore)

(6.79)

EBITDA (₹ crore)



Domestic
98%

₹232.74 crore

Exports
2%

₹5.82 crore

VISION AND MISSION

We aspire to become a fully integrated Branded Formulations & CDMO partner of choice in Global and Domestic Markets.

We shall continuously enhance our competitiveness by building strong capabilities in R&D and End To End Operational Excellence.

VALUES



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.



OUR CULTURE AND DIVERSITY

Our corporate tradition is rooted in the principles of personal integrity, respect for the individual and doing what is right for the long-term while working to satisfy its multinational customers.



INNOVATION

Building the future is asking ourselves how can we continually improve our everyday processes.



WE EMBRACE CHANGE

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



QUALITY

Pursuit for excellence is our responsibility towards our customers.



WE BUILD ON OUR CAPABILITIES

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

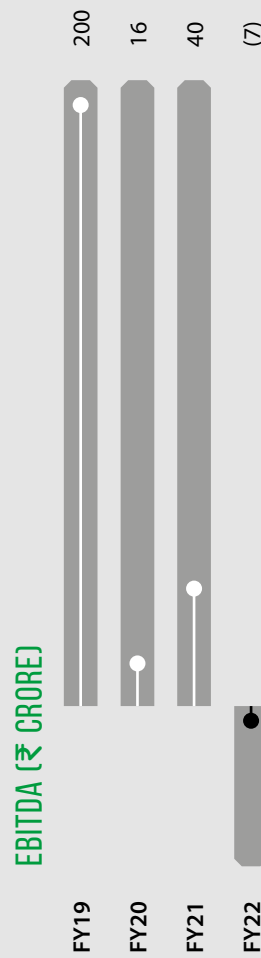
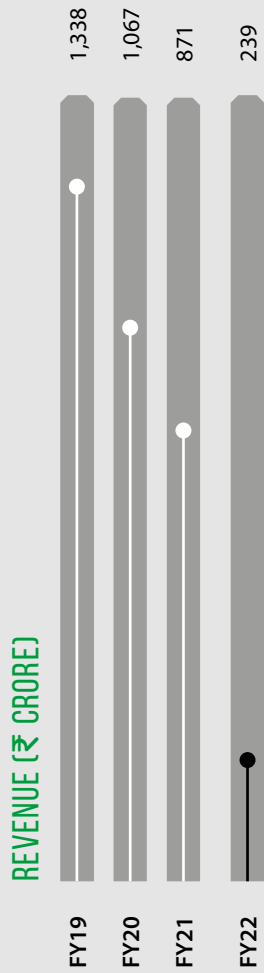


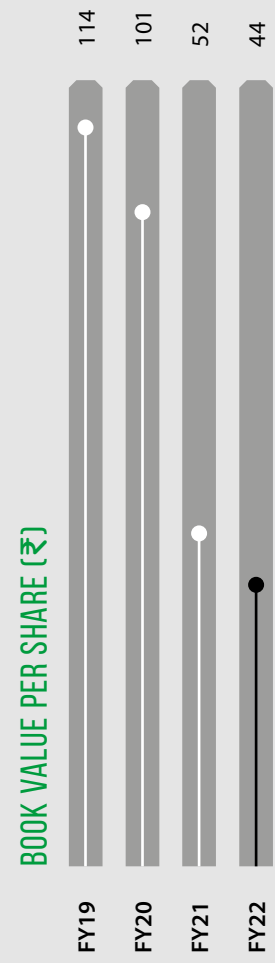
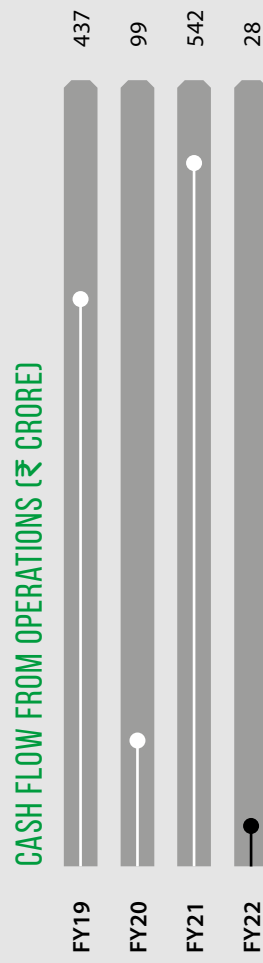
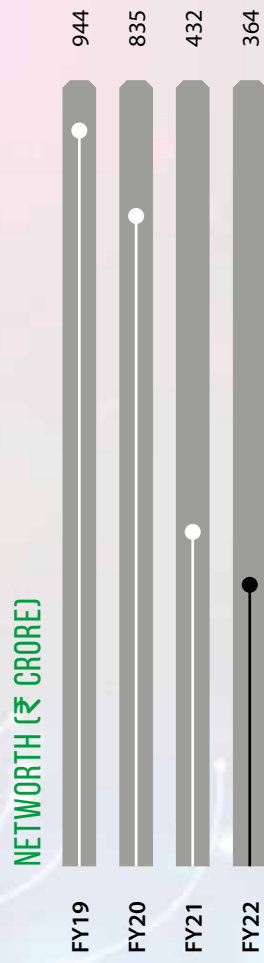
WE FOCUS ON OPPORTUNITIES

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.



KEY PERFORMANCE INDICATORS







Vivimed

FROM THE MANAGING DIRECTOR'S OFFICE



“PROGRESS TAKES TIME. IT TAKES MONTHS AND YEARS OF PASSION, PERSISTENCE AND PATIENCE TO TRANSFORM PROGRESS INTO PERFORMANCE. WHEN THIS PROGRESS IS SUSTAINED OVER YEARS, IT CREATES AN INEXPLICABLE TRANSFORMATION, UPLIFTING THE ORGANISATION INTO A NEW GROWTH ORBIT. THIS IS WHAT WE ARE WORKING TOWARDS.”



Dear shareholders,

It is a pleasure to address you through this piece as it allows me to share my thoughts with you, my fellow shareholders.

FY22 started with a much deadlier Covid wave which was fast spreading and increasingly fatal. The overall impact on human lives was far more than we had ever experienced in our lives. At Vivimed, we lost some of our team members too during this trying time, which was very unfortunate. My heart goes out to all those families who have lost their loved ones during this health crisis.

In our business space, the challenges were more intense. The cascading impacts of scaling inflation in India and across the globe inflated our cost structures. Furthermore, the price erosion in the pharmaceutical space in the US was incredibly intense. Also, we experienced certain operational issues that impacted our ability to capitalise on all growth opportunities.

While these challenges took a toll on our financial performance, I am happy to state that we were able to reduce our Net Loss for the year compared with that of the previous financial year.

An important highlight for FY22 was our divestment from the API space. The cost of continuing our API operations through our international facilities was proving unviable – it

was taking a toll on business profitability and stability. Having exited the business space, we have been able to sharpen our focus on expanding our formulation product basket and regional presence.

We have initiated commercial supplies of formulation to Canada, Dominican Republic, Azerbaijan and Uzbekistan. Our ophthalmic products are occupying shelf space in African markets. We have received encouraging orders from multiple CIS nations, supplies of which should happen in the current year. Moreover, we have a long queue of product registrations pending approvals which will significantly expand our product basket in South East Asian markets and the MENA regions. This augurs well for improved performance over the coming years.

In a nutshell, the Company, by overcoming unprecedented challenges over the last two years, has demonstrated "tenacity and progress" as two important qualities.

Tenacity to have fought and fought hard when it would have been far easier to throw in the towel. We decided not to yield despite the strong headwinds and continued to push forward.

We worked slowly to progress, but surely towards our goal. Taking tiny steps every week, every month, every year – the individual impact of each step is minuscule but the sum of the parts is quite moving.

We understand that it will take months and years of passion, persistence and patience to transform progress into performance. And when we sustain the momentum over the coming years, I am confident that it would result in an inexplicable transformation, uplifting the organisation into a new growth orbit. This is what we are working towards.

I am very proud to be part of this team that has persevered through the mayhem of the initial years to make our progress this far, noticeable. We understand that it is a long and arduous journey to get back to our heady days once again, but our zeal and energy are inspiring and infectious. With the small progress we are making every month, I am quite sure that we shall achieve a turnaround in business profitability soon.

In closing, I would like to thank my colleagues on the Board for their invaluable guidance in contouring the long-term blueprint of the Company, and the leadership team for their patience and perseverance in drawing up the Company's business plan and monitoring its execution to the last detail. I also take the opportunity to thank all our stakeholders for believing in us and supporting us in our journey this far. We continue to solicit your support going forward.

Warm regards,

Santosh Varalwar
Managing Director



Vivimed



MANAGEMENT DISCUSSION & ANALYSIS

AN ECONOMIC OVERVIEW

Global overview: The year 2021 started on a positive note with the successful rollout of vaccinations leading to relaxations in movement across the globe resulting in economic recovery, supported further by various fiscal measures taken by the governments of various countries. However, the recovery momentum of supply chains across the world was disrupted due to the outbreak of newer variants of the virus, amping up of crude and other material prices. The US Fed decided on tightening monetary policy towards the end of the year, impacting the economic outlook. After a contraction of 3.1% in 2020, the global output reported a growth of 6.1% in 2021.

The emerging and developing economies saw diverse economic performances. Countries with strong exposure to export of goods reported significantly better recovery in economic activities, while those heavily reliant on the tourism sector experienced considerable headwinds. Inflation remained strong as well, driven by higher commodity prices.

The global economic outlook for 2022 has been severely impacted by the Ukraine-Russia war that broke out in February. In addition to the humanitarian crisis, the fallout of the war sent the prices of crude commodities skyrocketing to unprecedented levels. Inflation containment fiscal measures have also impacted the global economic outlook.

Indian Economy: Resurgence was the overall theme that played out as a charged-up India decidedly fought back against the deadly second wave of the pandemic. India achieved an unthinkable 15% shift in GDP growth – from a (6.6)% growth in FY21 to an 8.7% growth in FY22.

This growth was supported by Government policies that facilitated commercial activity and fueled investment. The healthy surge in the industrial and services sector helped GST collections - For FY22, GST collections amounted to ₹14.83 lakh crore, up 30% from ₹11.37 lakh crore in FY21.

Private consumption expenditure in FY22 stood at ₹83.8 trillion, which was 1.4% higher than the ₹82.60 trillion recorded in FY20. External trade

picked up well in FY22, after the slowdown caused by the pandemic last year, with good capital inflows which led to rapid growth in foreign reserves.

FY22 would have ended on a higher note had it not been for the geo-political issues that erupted towards the close of the year. It spiked prices of fuel and commodities across the board, which resulted in significant inflationary pressure across the globe.

The ongoing challenges in the external environment have amplified downside risks to the growth projection in the near term. According to OECD, the Indian economy is expected to expand by 6.9% in 2022-23. Headline inflation, which was a cause for worry, has started to cool off with RBI's increasing interest rates. The threat of a new variant of the virus also poses a potential risk in recovery.

THE EMERGING AND DEVELOPING ECONOMIES REGISTERED A GROWTH OF 6.8% IN 2021, FROM A 2% DEGWGTH IN 2020.



Vivimed



THE COMPANY

Established in 1988 in Hyderabad, India, Vivimed Labs is a globally renowned supplier of formulations and specialty chemicals to marquee clients in India and across the world.

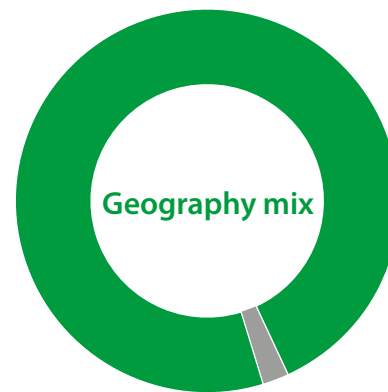


Pharmaceuticals

83%

Specialty Chemicals

17%



Domestic

98%

Exports

2%



THE PHARMACEUTICAL VERTICAL

This is the flagship vertical which contributes the lion's share to the Company's revenue and profits. Having started as an integrated pharmaceutical player with API and formulations manufacturing facilities, the Company recently divested control of the API business while retaining only a minor share of the business.

In the formulations space, the Company develops and delivers quality formulations and offers novel drug systems across different delivery platforms. The offerings basket comprises generics for the export market, branded generics for the domestic market and contract manufacturing segments. The Company manufactures its formulations at its facilities in India.

FY22 was important in the Company's journey as it emphasised on its core strength. And despite shortcomings and glitches on multiple fronts, continued to develop new generic products predominantly for the export market.

Revenue from operations stood at ₹196 crore in FY22 against ₹177 crore in the previous year.

Key highlights

1) Operational highlights

Jeedimetla – 1: This unit caters primarily to the institutional business and contributes more than 30% to the Company's topline. It received Favipiravir approval from DCGI which is manufactured at this site.

Jeedimetla – 2: Unit 2 has achieved the highest-ever sales and aims to sustain its growth momentum in the current year. The unit has started exporting products like Nitrovid nasal spray. The unit also developed and commercialised Povidone Iodine Nasal spray for the Indian market.

Haridwar: This facility performed consistently throughout the year. Business is on track with growing volumes from GSK and P&G; the unit operated at 95% utilisation.

Kashipur: The Kashipur plant along with its B2C segment attained normal growth in volumes and sales. Plans for the expansion of the unit are in progress which will target new geographies & product portfolios.

2) Exports

- 10 New products (along with 5 products already commercialised) have been identified and their registration is under process in various geographies.
- Commercial supplies have been initiated to Canada, Dominican Republic, Azerbaijan, Uzbekistan.
- Registration is in the pipeline for expansion of supply in countries like Bahrain, Myanmar, Philippines, Cambodia, etc.
- Cinacalcet tablets are commercialised in the Guatemala market and Rivaroxaban in Bolivia.
- Received Nasal spray orders from Cambodia, Uzbekistan and Kyrgyzstan, to be supplied from the Haridwar site.
- 11 Ophthalmic product registrations are underway in the African market from Unit II.

Finoso Pharma Pvt. Ltd.: The R&D arm of the Company continues to be at the forefront of developing new generics and specialty chemicals. Its footprint for services offered extends beyond Europe and India. It boasts of 12-15 projects currently in progress, with customers from multiple geographies while continuing to add interesting products to Vivimed's portfolio.



SECTORAL REALITIES & PROSPECTS

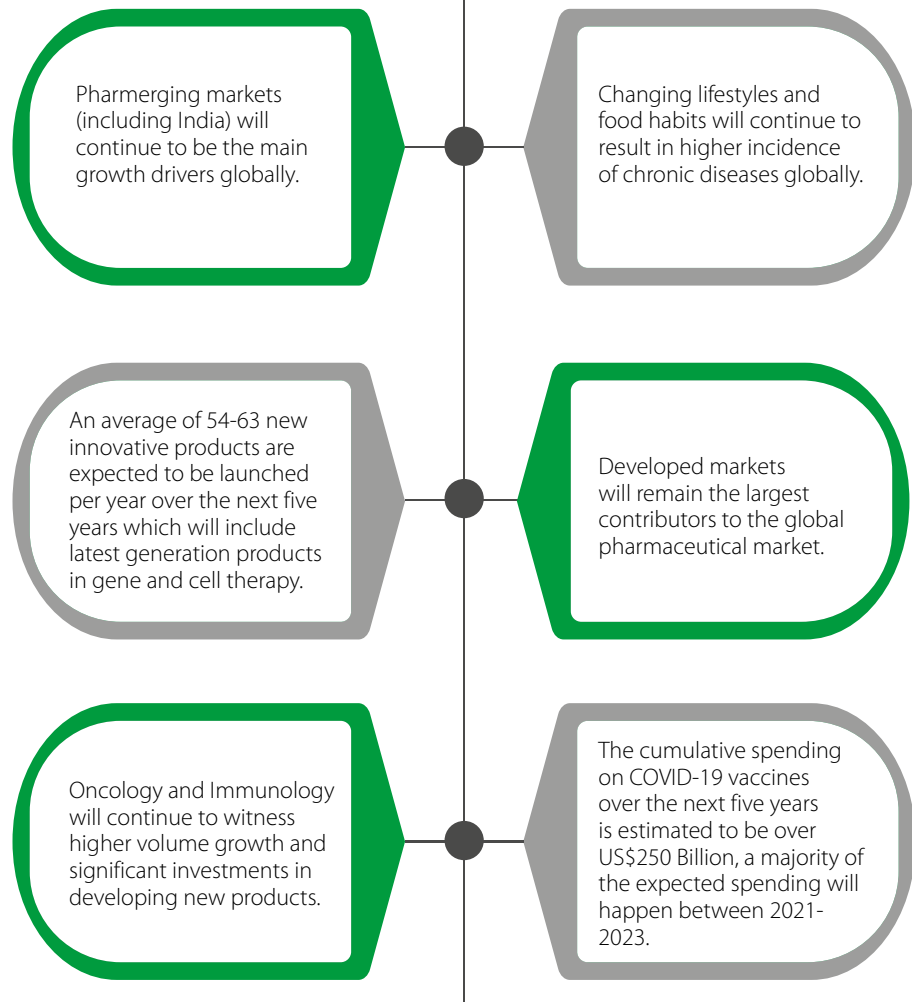
Global Pharma: The global pharmaceutical industry demonstrated remarkable resilience by adapting to the rapidly evolving situation related to the COVID-19 pandemic and by mitigating the disruptions caused by it. While COVID vaccination was one of the major focus areas across the world, the pharmaceutical industry also ensured the availability of critical medicines used for COVID-19 treatment.

The global pharmaceutical manufacturing market size was valued at US\$ 405.52 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 11.34% between 2021 and 2028. The pharmaceutical landscape has undergone a massive transformation with the emergence of new technologies, and cost-effective and more efficient manufacturing approaches. In addition, increasing investment flow in this space has impacted the market growth positively. Manufacturing floor downtime and the production of product waste have been reduced by the implementation of robotic technology and AI.

The two leading global therapy areas — oncology and immunology — are forecast to grow 9-12% and 6-9% CAGR, respectively, through 2026, lifted up by significant increases in new remedies.

Constant progress in the field of personalised medicines has opened up numerous possibilities to target different health maladies and enabled the development of patient-centric models. This progress results in a shift from large batches to smaller batches for the development of complex medicines and autologous patient-centric treatments. This has also encouraged the manufacturers to redesign their supply chain to better align with the patient-centric health care system.

KEY TRENDS



Indian Pharma: The Indian pharma industry has grown 10 times in the last two decades driven by its strength in the global generics space. It now supplies around 40% of generics in the US and caters to over 60% of the global vaccine demand.

The domestic pharma sector tackled the pandemic remarkably. The vaccination programmes undertaken in India and around the world have truly played a stellar role in containing its impact. Given its size, numbers and demographic spread, India's vaccination programme has been nothing short of extraordinary.

Going forward, it is tipped to be one of the fastest-growing markets. To move up the value

chain beyond the generics, India has multiple opportunities in specialty pharma, biosimilars and novel biological drugs, vaccines and preventives and other areas of unmet needs. There is a huge potential for the country to establish itself as the global innovation hub of the future.

According to a recent EY-FICCI report, the Indian pharmaceutical market is expected to reach US\$130 billion in value by the end of 2030, as there has been a growing consensus on providing new innovative therapies to patients.

THE DOMESTIC MARKET STOOD AT US\$ 42 BILLION IN 2021 AND IS LIKELY TO REACH US\$ 65 BILLION BY 2024.

THE LONG AND SHORT OF AN INTERESTING OPPORTUNITY

INDIAN SPECIALTY CHEMICALS COMPANIES ARE POISED TO RIDE TAILWINDS FROM MACRO DRIVERS INCLUDING 'CHINA+1'. INDIA HAS A SMALL 4% OF THE GLOBAL CHEMICALS MARKET THAT IS GROWING AT 5-6% IN DOLLAR TERMS. THIS SUGGESTS THAT EVEN A 15% CAGR IN INR TERMS OVER THE NEXT 15 YEARS WOULD GARNER JUST AN 8% GLOBAL MARKET SHARE. THIS IS MODEST GIVEN THE EXPECTED AND STRATEGIC LOWERING OF CHEMICAL EXPORTS BY CHINA (REPRESENTING A 13-15% CHUNK).

THE SPECIALTY CHEMICAL VERTICAL

A respected manufacturer of specialty chemicals, Vivimed caters to products that are primarily used in hair dyes and photochromic dyes. High-performance patented dyes are manufactured at its US FDA-approved facility at Bidar, Karnataka and marketed to marquee global brands under the name Reversacol, making it a respected company worldwide.

The performance of the vertical in FY22 remained subdued owing to the immense disruption caused by the second wave of the pandemic across the world and the rising inflation consequent to supply chain disruption. Challenges during the year were further amplified owing to the Russia-Ukraine war that pulled in a large part of Europe in this political imbroglio.

Owing to these headwinds, revenue from operations stood at ₹41 crore. The team remains hopeful of improved performance in the current year as health-related challenges appear to dissipate.

SECTORAL REALITIES & PROSPECTS

World over, the specialty chemicals market has transformed into a formidable space owing to its relevance in critical sectors. The global specialty

chemical market is dominated by advanced ceramic materials, construction chemicals, cosmetic chemicals, water management chemicals, oil field chemicals, textile chemicals, and food additives. Rubber processing chemicals and specialised paper chemicals are also some of the by-products of the specialty chemicals production process. Large businesses with diverse portfolios and smart, contemporary management approaches dominate the specialty chemicals industry.

Global Scenario: The global specialty chemicals market size was valued at US\$ 616.2 billion in 2022 and is anticipated to witness a compound annual growth rate (CAGR) of 5.1% from 2023 to 2030.

The escalating demand for high-performance and function-specific chemicals across different end-user industries, such as oil and gas, pulp and paper, personal care and cosmetics, represents one of the significant factors propelling the specialty chemicals market growth.

The Asia Pacific region, in recent years, has emerged as a preferred destination for specialty chemical manufacturers owing to the distinctive increase in demand for specialty chemicals in China and India, consequent to their rapid industrialisation.

Indian Market: Specialty chemical manufacturers have been in focus, given the turmoil in the European chemical markets.

Escalating energy costs and dipping availability of gas have impacted European manufacturers, leading to the closure of facilities, thereby resulting in a surge in chemical prices. This shortage has bolstered the prospects for domestic specialty chemical manufacturers.

In FY 2021, the market in India was valued at ₹3,474.68 billion. It is expected to reach ₹8,140.83 billion by FY 2027, expanding at a CAGR of ~15.45% during the FY 2022 - FY 2027 forecast period. India's chemical export registered a record US\$ 29.2 billion in 2021-22 with specialty chemicals accounting for more than 50% of the same.

India has the opportunity and potential to emerge as a viable alternative hub for specialty chemical manufacturing. The operational cost disparity between China and India has reduced significantly owing to recent regulatory changes made by the Chinese Government. Further, owing to the 'China plus one' trend that is playing out across the world, global manufacturers are relocating capacities to low-cost, high-capability geographies such as India.



Vivimed



FINANCIAL PERFORMANCE

Vivimed's performance during FY22 is not strictly comparable with the previous year as the Company divested the API business. The financial performance cumulates the numbers of the formulations and specialty chemicals verticals.

Revenue in FY22 stood at ₹238.56 crore while EBITDA was at ₹(6.79) crore. The reported Net Loss reduced from ₹71.89 crore in FY21 to ₹67.65 crore in FY22.

As a result, the Company's Networth dropped to ₹364.29 crore as on March 31, 2022 from ₹431.58 crore as on March 31, 2021. The total debt stood at ₹854.01 crore as on March 31, 2022 as against ₹817.05 crore as on March 31, 2021.

The singular focus on the formulations space and increased product approvals across geographies should help in improving the Company's financial performance going forward.

Significant changes (i.e. change of 25% or more as compared to the immediately previous financial years) in Key Financial Ratios, along with explanation are as under:

Particulars	2021-22	2020-21	Change (%)
Debtors Turnover Ratio	2.4	4.3	44
Inventory Turnover Ratio	0.6	0.9	33
Interest Coverage Ratio	(0.6)	(0.3)	100
Current Ratio	1.0	1.6	38
Debt-Equity Ratio	2.5	1.9	32
EBITDA margin (%)	(0.03)	0.05	160
Net margin (%)	(0.3)	(0.1)	200
Return on Net Worth (%)	(8)	(9)	11



HUMAN RESOURCE

FY22 was no different than the previous year – it was more challenging owing to the significantly more powerful and aggressive variant of Covid-19 that resulted in a considerable number of fatalities. At Vivimed, the practiced teams immediately put all the policies and processes in place to manage this mayhem – this time it was even more stringent – ensuring that the team followed the protocols in a disciplined manner.

The Company continues to invest in its people. Its 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 to undertake programs that will sharpen their skills and enhance their knowledge repository which, over time, will build a smarter team of professionals.



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.



RISK MANAGEMENT

In a rapidly changing business environment with dynamic customer requirements, business risks are constantly evolving. As a result, there is significant variation in the emerging risks landscape across businesses.

We, at Vivimed, continuously monitor the internal and external environments to identify potential, emerging risks and their impact on our business. We evaluate risks that can impact our strategic, operational, compliance and reporting objectives.

Our risk management framework ensures the identification of emerging risks and is flexible enough to accommodate decentralised risk management practices. 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 several factors could cause assumptions, and actual results and events to differ materially from those expressed here.

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

Dr. Jamalapuram Harigopal – *Chairman*
 Mr. Sandeep Varalwar – *Member*
 Ms. Aparna Bidarkar – *Member*

MANAGEMENT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Harigopal Jamalapuram – *Member*
 Mr. Santosh Varalwar – *Member*
 Dr. Manohar Rao Varalwar – *Member*
 Ms. Aparna Bidarkar – *Member*

NOMINATION AND REMUNERATION COMMITTEE

Ms. Aparna Bidarkar – *Chairperson*
 Dr. Jamalapuram Harigopal – *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

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

LISTING

BSE Limited
 National Stock Exchange of India Limited

BANKERS / INSTITUTIONS

STATE BANK OF INDIA
 INDIAN BANK (e-ALLAHABAD BANK)
 BANK OF BAHRAIN & KUWAIT B.S.C
 EXPORT-IMPORT BANK OF INDIA
 INTERNATIONAL FINANCE CORPORATION

Note:

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



Vivimed

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 34th Annual Report of your Company for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2022 is summarized below:

(₹ in million)

	Standalone		Consolidated	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Gross Income	2,196.26	2,161.20	2,385.57	8,712.91
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	(79.59)	337.75	(67.91)	395.14
Finance Charges	395.27	414.92	397.60	538.76
Depreciation/Amortization	174.49	157.95	182.82	554.95
Net Profit Before Tax	(649.35)	(235.13)	(648.33)	(698.57)
Provision for Tax	(28.17)	(2.34)	(28.17)	20.29
Net Profit After Tax carried to Balance Sheet	(677.52)	(232.79)	(676.50)	(718.86)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On a consolidated basis, your Company reported total revenue of ₹2,385.57 million as against ₹8,712.91 million. EBITDA for FY2022 was ₹(67.91) million compared to ₹(395.14) million in the previous year. Net profit after tax for the group for the current year is ₹(676.50) million as against ₹(718.86) million in the previous year.

Total revenue from operations on standalone basis increased to ₹2,183.67 million as against ₹2,100.45 million in the previous year. FY2022 EBITDA was ₹(79.59) million compared to ₹337.75 million in the previous year. The Profit after Tax for the current year is ₹(677.52) million as against ₹(232.79) 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 recommend any dividend for the year FY2022.

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 ₹1,11,00,00,000/- (Rupees One Hundred Eleven Crores only) comprising 20,00,00,000 (Twenty crores) Equity Shares of ₹2/- (Rupees Two only) each, and 71,00,00 (Seven Lakh Ten Thousand only) Preference Shares of the Company with a par value of ₹1,000/- (Rupees One Thousand only) each. The paid-up share capital of the Company is ₹16,58,27,830/- (Rupees Sixteen Crores Fifty Eight lakhs Twenty Seven Thousand Eight Hundred and Thirty only) comprising 8,29,13,915 (Eight Crores Twenty Nine Lakhs Thirteen Thousand Nine Hundred and Fifteen only) Equity Shares of ₹2/- (Rupees Two only) each.

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

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 ₹13,07,721/- (Rupees Thirteen Lakhs Seven Thousand Seven Hundred and Twenty One only) for the financial year 2013-14, was transferred during the year under review to the Investor Education and Protection Fund established by the Central Government.

SUBSIDIARIES / ASSOCIATE COMPANIES

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Subhash Varalwar (Non-executive non independent Director) of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Subhash Varalwar (Non-executive non independent Director) of the Company. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. Subhash Varalwar as a Non-Executive Director beyond 5th February, 2023, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise.

Mrs. Umanath Varahabhotla, (Independent Director) of the Company resigned on 10-01-2022 due to ill health (confirmed that there is no other material reason other than this). The Board appreciated and put on record the valuable services rendered by Mrs. Umanath Varahabhotla during her tenure of directorship in the Company.

Mr. Ramesh Krishnamurthy, (CEO cum CFO) of the Company resigned on 15-10-2021. The Board appreciated and put on record the valuable services rendered by Mr. Ramesh Krishnamurthy during his tenure as CEO cum CFO of the Company.

Ms. Aparna Bidarkar, (appointed on 14-02-2022) and Dr. Jamalapuram Harigopal, are the Independent Directors of your Company in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) 2015 (including any statutory modification(s) or reenactment(s) for the time being in force).

Mr. Santosh Varalwar, Managing Director, Dr. Manohar rao Varalwar, Whole Time Director, Mr. Sandeep Varalwar, Whole Time Director, Mr. Ramesh Krishnamurthy, CEO cum CFO (resigned on 15-10-2021) 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.



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

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

BOARD EVALUATION:

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

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year FY2022 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 31st March, 2022, 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 31st March, 2022 and of the profit / loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis for the financial year ended 31st March, 2022;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

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

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

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

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure-2** to this report and is also available on the website of your Company (www.vivimedlabs.com).

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

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

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 31st March, 2022, are set out in the Standalone Financial Statements forming part of this report.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

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

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

Your Company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form and backed up

periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

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

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

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

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

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

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE:

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

EMPLOYEES' STOCK OPTION SCHEMES

The Company has granted 25,00,000 options to eligible employees under the Vivimed Labs ESOP 2017 at ₹35/- per option (exercise price) in



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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.0160165), were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended 31st March, 2022, 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 2022-23. 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 2021-22. 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

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

Audit Committee

The Audit Committee comprises majority of Independent Directors namely Mrs. Umanath Varahabhotla, (Chairperson) (resigned on 10-01-2022), Ms. Aparna Bidarkar, (appointed on 14-02-2022), Mr. Sandeep varalwar and Dr. Harigopal Jamalapuram (Chairperson effective from 14-02-2022) 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

Code of Conduct

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

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

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

Extract of Annual Return

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

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

Particulars of Employees and related disclosures

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

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

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

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

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

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

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

The Company regularly conducts awareness programs for its employees.

General

Your Directors state that no disclosure or reporting is required in respect

of the following matters as there were no transactions on these items during the year under review:

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

RELATED PARTY TRANSACTIONS:

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

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

ACKNOWLEDGEMENTS

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

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

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: 13th February, 2023

ANNEXURE -1 TO BOARD'S REPORT

FORM AOC-1

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

Part-A- Subsidiaries

(₹ in Millions)

Sl.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/ (Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
1	Finoso Pharma Pvt ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	-	30.15	39.27	196.56	196.56	-	223.75	1.19	-	1.19	-
2	Vivimed Holdings Limited Rooms 2702-03, 27/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong	-	622.16	(298.37)	2,686.71	2,686.71	-	-	(0.18)	-	(0.18)	-
3	Vivimed Labs USA INC. 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	-	33.15	375.42	984.83	984.83	-	-	-	-	-	-
4	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	-	371.55	689.81	3,241.41	3,241.41	-	-	-	-	-	-

Part-B- Associates

Sl.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
1	Yantra Green Power Pvt. Ltd., Plot No.1303&1304, 2 nd Floor, Khanamet, Ayyappa Society, Madhapur, Hyderabad – 500081	-	150 (136.82)	20.33	20.34	-	0.15	0.06	0.06	-	0.06	-

(₹ in Millions)

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/ 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	
(1)	(2)	(3)	(4)	(5)	(6)	(7)		
Nil	Nil	Nil	Nil	Nil	Nil	Nil		

(₹ in Millions)

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: 13th February, 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 2021-22 is as follows:

Name of Director(s)	Total Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
Santosh Varalwar	1,20,00,000	74.59
Manohar Rao Varalwar	60,00,000	37.29
Sandeep Varalwar	1,00,00,000	62.16
Subhash Varalwar	1,50,000	0.93
Umanath Varahabhotla*	4,00,000	2.48
Aparna Bidarkar*	75,000	0.46
Hari Gopal Jamalapuram	5,00,000	3.10

Notes:

- *Mrs. Umanath Varahabhotla, (Independent Director) resigned on 10-01-2022
- *Ms. Aparna Bidarkar, (Independent Director) appointed on 14-02-2022
- The information provided above is on standalone basis.
- The remuneration of Non-Executive Directors is sitting fees paid to them for the financial year 2021-22
- Median remuneration of the Company for all its employees is ₹1,60,872/- for the financial year 2021-22.
- 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 2021-22 are as follows:

Name(s)	Designation	Remuneration (in ₹)		Increase/ (decrease) (in %)
		2021-22	2020-21	
Santosh Varalwar	Managing Director	1,20,00,000	97,50,002	23.08
Manohar Rao Varalwar	Whole-time Director	60,00,000	60,00,000	0
Sandeep Varalwar	Whole-time Director	1,00,00,000	85,00,002	17.65
Prof M Bhagvanth Rao*	Director	-	2,50,000	-
Subhash Varalwar	Non Executive Director	1,50,000	2,50,000	(40)
Umanath Varahabhotla*	Independent Director	4,00,000	6,50,000	(38.46)
Aparna Bidarkar*	Independent Director	75,000	-	-
Hari Gopal Jamalapuram	Independent Director	5,00,000	5,50,000	(9.09)
Ramesh Krishnamurthy*	CEO cum CFO	81,25,000	1,25,00,000	(35)
Yugandhar Kopparthi	Company Secretary	30,56,300	30,56,300	0

***Note:**

- Mrs. Umanath Varahabhotla, (Independent Director) resigned on 10-01-2022
- Ms. Aparna Bidarkar, (Independent Director) appointed on 14-02-2022
- Mr. Ramesh Krishnamurthy, (CEO cum CFO) resigned on 15-10-2021
- Prof. Bhagvanth Rao Mamidpalli, Non-Executive/ Independent Director of the Company demised on 30-11-2020.

C. Percentage increase/decrease in the median remuneration of all employees in the financial year 2021-22:

	(Amount in ₹)		
	2021-22	2020-21	Decrease (in %)
Median remuneration of all employees per annum	1,60,872	1,83,240	(12.21)

D. Number of permanent employees on the rolls of your Company as on 31st March, 2022:

Executive/Manager cadre	140
Staff	362
Operators/Workmen	158
Total	660

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 2021-22 as compared to the financial year 2020-21 was (12.21)%.

The key indices of Company's performance are:

	(₹ in millions)		
	2021-22	2020-21	Growth (%)
Net Revenue from operations	2196.26	2161.20	(1.62)
Profit Before Tax and Exceptional Items	(649.34)	(235.13)	(176.16)
Profit After Tax	(677.51)	(232.79)	(191.04)

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 (176.16)% in 2021-22, compared to 2020-21.

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 st March, 2022	As on 31 st March, 2021	Increase/ (decrease) (%)
Price Earnings Ratio	(1.77)	(4.51)	60.75
Market Capitalization (₹ In millions)	1202.3	1314.18	(8.51)

Comparison of share price at the time of first public offer and market price of the share of 31st March, 2022:

Market Price as on 31 st March, 2022	14.45
Price at the time of initial public offer in 2005 (converted to price of each share for face value of ₹2/- each) ₹2/- each)	14.00
% increase of market price over the price at the time of initial public offer	3.22

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



Vivimed

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

	2021-22 (₹)	2020-21 (₹)	Increase/ (decrease) (%)	
Average salary of all employees (other than Key Managerial Personnel)	2,43,781	3,17,662	(23.25)	
Key Managerial Personnel				
Santosh Varalwar	Managing Director	1,20,00,000	97,50,002	23.08
Manohar Rao Varalwar	Whole-time Director	60,00,000	60,00,000	0
Sandeep Varalwar	Whole-time Director	1,00,00,000	85,00,002	17.65
Ramesh Krishnamurthy*	CEO cum CFO	81,25,000	1,25,00,000	(35)
Yugandhar Kopparthi	Company Secretary	30,56,300	30,56,300	0

Note: *

1. Mr. Ramesh Krishnamurthy, (CEO cum CFO) resigned on 15-10-2021

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

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

Following are major principles for determining remuneration to the Directors:

- (i) **Commission to the Non-Executive Directors:** The Nomination and Remuneration Committee recommends the Commission (variable component) payable to the Non- Executive Directors after considering their contribution to the decision making process at meetings of the Board / Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness. The Committee also reviews the commission and remuneration paid to Non-Executive Directors including Independent Directors of other similar sized companies. It is within the overall limits fixed by the shareholders of your Company.
- (ii) **Commission to the Managing Director, and other whole time Directors:** The Nomination and Remuneration Committee evaluate the performance of the Managing Director and other whole time Directors by setting their Key Performance Objectives or Key Performance Parameters at the beginning of each financial year. The Committee approves the compensation package of them and ensures that the compensation package is in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, industry standards and have an adequate balance between fixed and variable components.
- J. There is only one employee (Mr. Ramesh Krishnamurthy, CEO cum CFO) (resigned on 15-10-2021) 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 2021-22 and were paid remuneration not less than ₹60 lakhs per annum

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Santosh Varalwar	Managing Director	1,20,00,000	Management Graduate	36	09-11-1989	60	Shipping Corporation of India
Manohar Rao Varalwar	Whole-time Director	60,00,000	post-graduation in Veterinary Sciences	33	10-11-1994	86	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	1,00,00,000	Graduation in B. Pharmacy	27	23-01-2008	53	V V S Pharmaceuticals & Chemicals Pvt Ltd.
Ramesh Krishnamurthy*	CEO cum CFO	81,25,000	MBA(IIM)	26	01-06-2020	55	Unilever Industries Private Limited

Notes:

- Shri Santosh Varalwar, Shri. Manohar Rao Varalwar, and Shri. Sandeep Varalwar (Directors) are relatives to each other.
- 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 32nd AGM of your Company held on 30th December, 2020.
- The above mentioned Directors are part of the promoter group and holding (Along with other promoters and persons acting in concert with them) 1,82,22,031 shares of ₹2/- each 21.98% to the total paid up capital) of your Company.
- 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.
- *Mr. Ramesh Krishnamurthy, (CEO cum CFO) resigned on 15-10-2021

- M.** Employees employed for the part of the year and were paid remuneration during the financial year 2021-22 at a rate which in aggregate was not less than ₹5 lakhs per month:

Name	Designation	Remuneration paid(₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Ramesh Krishnamurthy	CEO cum CFO	81,25,000	MBA(IIM)	26	01-06-2020	55	Unilever Industries Pvt Limited

Notes:

Mr. Ramesh Krishnamurthy, (CEO cum CFO) resigned on 15-10-2021

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: 13th February, 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 14-02-2022.

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 2017 at their general meeting held on 29th 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 31st March, 2022 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 03rd June, 2022. 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 29th 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.

Place: Hyderabad

Date: 31st January, 2023

for **P C N & ASSOCIATES.,**
Chartered Accountants
Firm registration Number: 016016S

Sd/-
K. Gopala Krishna
Partner
Membership Number: 203605
ICAI UDIN: 23203605BGRTLF2157



Vivimed

ANNEXURE -4 TO BOARD'S REPORT

**Form No. MR – 3 Secretarial Audit Report
For the Financial Year Ended 31st March, 2022
[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 31st March, 2022. 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 31st March, 2022 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 31st March, 2022 according to the provisions of:

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

- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the following laws applicable specifically to the Company:
- a. The Environment (Protection) Act, 1986 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
 - b. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and
 - c. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.
 - d. Drugs (Control) Act, 1950
 - e. Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945
 - f. Narcotic Drugs and Psychotropic Substances Act, 1985
 - g. The Food Safety and Standards Act, 2006
 - h. The Indian Boilers Act, 1923

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

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

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

We further report that:

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

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

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

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

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

Sd/-
NVSS SURYANARAYANA RAO
Company Secretary in Practice
ACS No. 5868
CP No. 2886
UDIN Number: A005868D000216331

Place: Hyderabad,
Date: 27th April, 2022



Vivimed

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: A005868D000216331

Place: Hyderabad,
Date: 27th April, 2022

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 2021-22	FY 2020-21
1. Electricity		
Unit (KWH) (in Mn)	6.49	6.24
Total amount (₹ in Mn)	52.40	50.40
Average rate/Unit (₹)	8.39	8.07
2. Own generation from Diesel generator set		
Unit (KWH)(in Mn)	0.29	0.28
Total amount (₹ in Mn)	10.44	10.04
Average rate/Unit (₹)	36.66	35.26
Quantity (MT)	2,232.41	2147.33
Total cost (₹ in Mn)	16.21	15.59
Average rate/MT (₹)	7,545.88	7258.31

Consumption per unit of production

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

Technology absorption

Particulars of absorption

1. Technology absorption, adaptation and innovation

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

2. Benefits derived as a result of the above efforts

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



Vivimed

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, 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

	(₹ In million)	
Particulars	FY 2021-22	FY 2020-21
Capital		-
Revenue	3.37	264.37
Total	3.37	264.37

Foreign exchange earnings and Outgo

	(₹ In million)	
Particulars	FY 2021-22	FY 2020-21
Foreign Exchange Earnings	0.22	356.51
Foreign Exchange Outgo	0.40	312.19

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

Sd/-

Manohara Rao Varalwar

Whole-time Director

Sd/-

Santosh Varalwar

Managing Director

Place: Hyderabad

Date: 13th February, 2023

ANNEXURE -6 TO BOARD'S REPORT

Extract of Annual Return as on 31st March, 2022 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)	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad, Telangana – 500029, INDIA Phone : +91 40 27638111/27634445, Fax : +91 40 27632184 Email : info@aarthiconsultants.com

II. Principal Business Activities of the Company

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

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



III. Particulars of Holding, Subsidiary and Associate Companies

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

SN	Name and address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Finoso Pharma Pvt Ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	U24231TG2009PTC064774	Subsidiary	a) 30,15,000 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) 1,000 b) US \$ 0.01 each c) 100% held by Vivimed Labs Limited	2(87)
4	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	Not Applicable	Subsidiary	a) 90,00,000 equity shares b) US \$ 1 each c) 100% held by Vivimed Labs Limited	2(87)
Associates					
1	Yantra Green Power Pvt. Ltd Plot No.1303 and 1304, Sy. No.11/27, Second Floor, Khanamet, Hi-Tech City, Ayyappa Society, Madhapur, Hyderabad, Telangana	U40108TG2013PTC087049	Associate	25,00,000 shares of ₹10 each 35.66% held by Vivimed Labs Ltd	2(6)

IV. 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 st March, 2021]@ ₹2/- each			No. of Shares held at the end of the year [As on 31 st March, 2022]@ ₹2/- each #			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	1,29,77,927	-	1,29,77,927	15.65	87,26,527	-	10.52 (5.13)
b) Central Govt	0	-	0	0.00	0	-	0.00 0
c) State Govt(s)	0	-	0	0.00	0	-	0.00 0
d) Bodies Corp.	1,07,12,000	-	1,07,12,000	12.92	94,95,504	-	11.45 (1.47)
e) Banks / FI	0	-	0	0.00	0	-	0.00 0
f) Any other	0	-	0	0.00	0	-	0.00 0
Total shareholding of Promoter (A)	2,36,89,927	-	2,36,89,927	28.57	1,82,22,031	-	21.98 (6.59)
B. Public Shareholding							
1. Institutions							

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 st March, 2021]@ ₹2/- each				No. of Shares held at the end of the year [As on 31 st March, 2022]@ ₹2/- each #				% Change during the year
	Demat		% of Total Shares		Demat		% of Total Shares		
	Physical	Total	Physical	Total	Physical	Total	Physical	Total	
a) Mutual Funds	0	0	0.00	0	0	0	0	0.00	0
b) Banks / FI	0	0	0.00	0	0	0	0	0.00	0
c) Central Govt	96,130	96,130	0.12	96,130	96,130	0.12	96,130	0.12	0
d) State Govt(s)	0	0	0.00	0	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0.00	0	0	0	0	0.00	0
f) Insurance Companies	0	0	0.00	0	0	0	0	0.00	0
g) FIs	0	0	0.00	0	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0.00	0	0	0	0	0.00	0
i) Others (specify) -Foreign Portfolio Investor	25,69,265	25,69,265	3.10	13,59,771	13,59,771	1.64	13,59,771	1.64	(1.46)
Sub-total (B)(1):-	26,65,395	26,65,395	3.22	14,55,901	14,55,901	1.76	14,55,901	1.76	(1.46)
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	45,55,069	45,55,069	5.49	30,55,470	30,55,470	3.69	30,55,470	3.69	(1.8)
ii) Overseas	88,10,562	88,10,562	10.63	79,03,014	79,03,014	9.53	79,03,014	9.53	(1.1)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	3,09,04,130	24,33,70	37.41	4,11,50,028	4,11,50,028	49.63	4,11,50,028	49.63	12.22
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	62,20,127	62,20,127	7.50	31,75,880	31,75,880	3.83	31,75,880	3.83	(3.67)
c) Others (specify)-									
NBFCs Registered with RBI	0	0	0.00	0	0	0.00	0	0.00	0
Non Resident Indians	40,05,376	40,05,376	4.83	44,39,394	44,39,394	5.35	44,39,394	5.35	0.52
Foreign Nationals	-	13,69,840	1.65	-	13,69,840	1.65	13,69,840	1.65	0
Clearing Members	5,73,619	5,73,619	0.69	21,38,357	21,38,357	2.58	21,38,357	2.58	1.65
Trusts	4,000	4,000	0.00	4,000	4,000	0.00	4,000	0.00	0
Foreign Bodies - D R	0	0	0.00	0	0	0.00	0	0.00	0
Sub-total (B)(2):-	5,49,45,383	16,13,210	67.27	6,18,66,143	13,69,840	76.27	6,32,35,983	76.27	9.0
Total Public Shareholding (B)= (B)(1)+ (B)(2)	5,76,10,778	16,13,210	69.48	6,33,22,044	13,69,840	78.02	6,46,91,884	78.02	8.54
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8,13,00,705	16,13,210	100.00	8,29,13,915	8,29,13,915	100.00	8,29,13,915	100.00	0



B. Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2021) @₹2/- each				Shareholding at the end of the year (As on 31-03-2022) @₹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 Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% of Shares Pledged / encumbered to total shares	
1	BBR PROJECTS PRIVATE LIMITED	1,07,12,000	12.92	5.25	94,95,504	11.45	3.79	(1.47)		
2	SANTOSH VARALWAR	36,99,050	4.46	3.11	21,57,650	2.60	1.16	(1.86)		
3	VARALWAR SANDEEP	18,75,647	2.26	0.60	18,75,647	2.26	0.60	0		
4	MANOHAR RAO VARALWAR	12,94,225	1.57	1.40	10,34,225	1.25	1.09	(0.32)		
5	SUJATHA VARALWAR	18,93,995	2.28	2.28	3,93,995	0.48	0.48	(1.8)		
6	VITHABAI VARALWAR	9,73,345	1.17	1.15	23,345	0.03	0	(1.14)		
7	VARALWAR SUBHASH	16,16,200	1.95	1.50	16,16,200	1.95	0	0		
8	SHEETAL VARALWAR	5,68,985	0.69	0	5,68,985	0.69	0	0		
9	S RAGHUNANDAN	3,17,500	0.38	0	3,17,500	0.38	0	0		
10	VIJAYKUMAR VARALWAR	1,50,000	0.18	0	1,50,000	0.18	0	0		
11	MADHAVI VARALWAR	2,00,000	0.24	0	2,00,000	0.24	0	0		
12	MAMATHA GURNUKAR	1,50,000	0.18	0.18	1,50,000	0.18	0.18	0		
13	VARALWAR PADMA	33,250	0.04	0	33,250	0.04	0	0		
14	NEELIMA VIJAYA VARALWAR	1,00,000	0.12	0	1,00,000	0.12	0	0		
15	SATISH GOOTY AGRAHARAM	55,635	0.07	0	55,635	0.07	0	0		
16	CHANDRASHEKHARRAO SUDIGALI	50,095	0.06	0	50,095	0.06	0	0		
		2,36,89,927	28.57	15.49	1,82,22,031	21.98	8.80	(6.59)		

*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)

Sl. No.	Particulars	Shareholding			Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2021 to 31-03-2022)	
		No. of Shares at the beginning (01-04-2021) / end of the year (31-03-2022)	% of total Shares of the Company	No. of Shares Shares of the Company				% of total Shares of the Company	
1	BBR PROJECTS PRIVATE LIMITED	1,07,12,000	12.92	1,07,12,000	01-04-2021	-	-	1,07,12,000	12.92
		1,07,12,000	12.92	1,07,12,000	14-01-2022	(12,16,496)	Sale/Transfer	94,95,504	11.45
		94,95,504	11.45	94,95,504	31-03-2022	-	-	94,95,504	11.45
2	NEELIMA VIJAYA VARALWAR	1,00,000	0.12	1,00,000	01-04-2021	-	-	1,00,000	0.12
		1,00,000	0.12	1,00,000	31-03-2022	-	-	1,00,000	0.12

Sl. No.	Particulars	Shareholding			Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2021 to 31-03-2022)	
		No. of Shares at the beginning (01-04-2021) / end of the year (31-03-2022)	% of total Shares of the Company	No. of Shares				% of total Shares of the Company	
3	VIJAYKUMAR VARALWAR	1,50,000	0.18	01-04-2021	-	-	1,50,000	0.18	
4	VARALWAR SUBHASH	16,16,200	1.95	01-04-2021	-	-	16,16,200	1.95	
5	MADHAVI VARALWAR	2,00,000	0.24	01-04-2021	-	-	2,00,000	0.24	
6	VITHABAI VARALWAR	9,73,345	1.17	01-04-2021	-	-	9,73,345	1.17	
7	VARALWAR SANDEEP	18,75,647	2.26	01-04-2021	-	-	18,75,647	2.26	
8	SANTOSH VARALWAR	36,99,050	4.46	01-04-2021	-	-	36,99,050	4.46	
9	MANOHAR RAO VARALWAR	12,94,226	1.56	01-04-2021	-	-	12,94,226	1.56	
10	MAMATHA GURNUKAR	1,50,000	0.18	01-04-2021	-	-	1,50,000	0.18	
11	SATISH GOOTY AGRAHARAM	55,635	0.07	01-04-2021	-	-	55,635	0.07	
12	SUJATHA VARALWAR	18,93,995	2.28	01-04-2021	-	-	18,93,995	2.28	
13	SHEETAL VARALWAR	5,68,985	0.69	01-04-2021	-	-	5,68,985	0.69	
14	VARALWAR PADMA	33,250	0.04	01-04-2021	-	-	33,250	0.04	
15	S RAGHUNANDAN	3,17,500	0.38	01-04-2021	-	-	3,17,500	0.38	
16	CHANDRASHEKHARRAO SUDIGALI	50,095	0.06	01-04-2021	-	-	50,095	0.06	
		21,57,650	2.60	31-03-2022	(9,50,000)	Sale/Transfer	21,57,650	2.60	
		12,94,226	1.56	11-03-2022	(2,60,000)	Sale/Transfer	12,94,226	1.56	
		10,34,225	1.25	11-03-2022	(15,41,400)	Sale/Transfer	10,34,225	1.25	
		1,50,000	0.18	31-03-2022	-	-	1,50,000	0.18	
		1,50,000	0.18	31-03-2022	-	-	1,50,000	0.18	
		55,635	0.07	31-03-2022	-	-	55,635	0.07	
		55,635	0.07	31-03-2022	-	-	55,635	0.07	
		18,93,995	2.28	11-03-2022	(15,00,000)	Sale/Transfer	18,93,995	2.28	
		3,93,995	0.48	31-03-2022	-	-	3,93,995	0.48	
		5,68,985	0.69	31-03-2022	-	-	5,68,985	0.69	
		33,250	0.04	31-03-2022	-	-	33,250	0.04	
		3,17,500	0.38	31-03-2022	-	-	3,17,500	0.38	
		50,095	0.06	31-03-2022	-	-	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	KITARA PIIN 1102				
	At the beginning of the year	88,10,562	10.63	88,10,562	10.63
	Bought during the year	-	-	-	-
	Sold during the year	9,07,548	1.09	9,07,548	1.09
	At the end of the year	79,03,014	9.53	79,03,014	9.53
2	SBICAP SECURITIES LIMITED				
	At the beginning of the year	17,024	0.02	17,024	0.02
	Bought during the year	29,50,097	3.56	29,50,097	3.56
	Sold during the year	14,61,865	1.76	14,61,865	1.76
	At the end of the year	15,05,256	1.82	15,05,256	1.82
3	WILLIAM F HARVEY				
	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
4	SAMEER MAHENDRA SAMPAT				
	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
5	K INDIA OPPORTUNITIES FUND LIMITED CLASS S				
	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	BIPIN DHARAMSEY NENSEY				
	At the beginning of the year	7,03,060	0.85	7,03,060	0.85
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	7,03,060	0.85	7,03,060	0.85
7	AAKARSHAN TRACOM PRIVATE LIMITED				
	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

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
8	RAJESH MAAN				
	At the beginning of the year	4,55,000	0.55	4,55,000	0.55
	Bought during the year	1,25,314	0.15	1,25,314	0.15
	Sold during the year	-	-	-	-
	At the end of the year	5,80,314	0.69	5,80,314	0.69
9	WINSTAR E-COM PRIVATE LIMITED				
	At the beginning of the year	4,90,000	0.59	4,90,000	0.59
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	4,90,000	0.59	4,90,000	0.59
10	VIJENDRA REDDY ADINARAYANA				
	At the beginning of the year	100	0.00	100	0.00
	Bought during the year	4,58,904	0.55	4,58,904	0.55
	Sold during the year	58,999	0.07	58,999	0.07
	At the end of the year	4,00,005	0.48	4,00,005	0.48

Notes:

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

E. Shareholding of Directors and Key Managerial Personnel:**1. DIRECTORS**

Sl. No.	Particulars	Shareholding		Date	Reason	Cumulative Shareholding during the year (01-04-2021 to 31-03-2022)		
		No. of Shares at the beginning (01-04-2021) / end of the year (31-03-2022)	% of total Shares of the Company			Increase / Decrease in Shareholding	No. of Shares	% of total Shares of the Company
1	MANOHAR RAO VARALWAR	12,94,226	1.56	01-04-2021	-	-	12,94,226	1.56
		12,94,226	1.56	11-03-2022	Sale/Transfer	(2,60,000)	10,34,225	1.25
		10,34,225	1.25	31-03-2022	-	-	10,34,225	1.25
2	SANTOSH VARALWAR	36,99,050	4.46	01-04-2021	-	-	36,99,050	4.46
		36,99,050	4.46	14-01-2022	Sale/Transfer	(15,41,400)	21,57,650	2.60
		21,57,650	2.60	31-03-2022	-	-	21,57,650	2.60
3	VARALWAR SUBHASH	16,16,200	1.95	01-04-2021	-	-	16,16,200	1.95
		16,16,200	1.95	31-03-2022	-	-	16,16,200	1.95
4	VARALWAR SANDEEP	18,75,647	2.26	01-04-2021	-	-	18,75,647	2.26
		18,75,647	2.26	31-03-2022	-	-	18,75,647	2.26



2. KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2021 to 31-03-2022)	
		No. of Shares at the beginning (01-04-2021) / end of the year (31-03-2022)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	RAMESH KRISHNAMURTHY	-	-	01-04-2021	-	-	-	-
		-	-	31-03-2022	-	-	-	-
2	YUGANDHAR KOPPARTHI	-	-	01-04-2021	-	-	-	-
		-	-	31-03-2022	-	-	-	-

Note: *Mr. Ramesh Krishnamurthy (CEO cum CFO), resigned on 15.10.2021

V) INDEBTEDNESS –

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01-04-2021)				
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	-	-	-	-
Total (i+ii+iii)	1,141.87	-	-	1,141.87
Change in Indebtedness during the financial year				
• Addition	524.14	-	-	524.14
• Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year (As on 31-03-2022)				
i) Principal Amount	1,328.64	-	-	1,328.64
ii) Interest due but not paid	337.37	-	-	337.37
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,666.01	-	-	1,666.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	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	60,00,000	1,20,00,000	1,00,00,000	2,80,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify	-	-	-	-
	Total (A)	60,00,000	1,20,00,000	1,00,00,000	2,80,00,000
	Ceiling as per the Act	1,20,00,000	1,20,00,000	1,20,00,000	3,60,00,000

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

B. Remuneration to other directors

1. Independent Directors: (Amount in ₹)

Name of Director	Fee for attending board /committee meetings	Commission	Others#	Total
UMANATH VARAHABHOTLA	4,00,000	-	-	4,00,000
HARI GOPAL JAMALAPURAM	5,00,000	-	-	5,00,000
APARNA BIDARKAR	75,000	75,000	-	1,50,000
Total	9,75,000	-	-	9,75,000
Ceiling as per the Act	24,00,000	-	-	24,00,000

Notes: *Mrs.Umanath Varahabhotla, Non-Executive/ Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022,

2. Non-Executive Directors:

Name of Director	Fee for attending board /committee meetings	Commission	Others	Total
SUBASH VARALWAR	1,50,000	-	-	1,50,000
Total	1,50,000	-	-	1,50,000
Ceiling as per the Act	4,00,000	-	-	4,00,000

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

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		K. Yugandhar Company Secretary	Ramesh Krishnamurthy (CEO cum CFO)*		
1	Gross salary	30,56,300	81,25,000		1,11,81,300
	(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	-	-	-	-
	- as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	30,56,300	81,25,000		1,11,81,300

Note: *Mr. Ramesh Krishnamurthy, (CEO cum CFO) resigned on 15-10-2021

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

Sd/ **Santosh Varalwar**
Managing Director

Place: Hyderabad
Date: 13th February, 2023

ANNEXURE -7 TO BOARD'S REPORT

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

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain 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)

SI No	Party Name	Nature of Transaction	During Apr 2021- March 2022
			Debit /(Credit)
1	Finoso Pharma Private Limited	Purchases	9.95
2	BBR Green Fields Pvt Ltd	Loans & Advances	15.81
3	BBR Projects Pvt. Ltd.	Loans & Advances	(24.74)

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: 13th February, 2023



Vivimed

ANNEXURE -8 TO BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

2. Composition of the CSR Committee

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

3. Average Net Profit of the Company for last 3 financial years: ₹(411.34) Millions

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

5. Details of CSR spent for the financial year:

- a. Total amount spent for the financial year: ₹ NIL
- b. Amount unspent, if any: ₹ NIL
- c. Manner in which the amount spent during the financial year is detailed below:

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

(₹ in Millions)

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

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

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: 13th February, 2023

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 31st March, 2022.

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/ CFO and a core group of senior level executives.

BOARD LEADERSHIP

The Board contains 2 Independent Directors (Includes chairman of Board), 3 executive Directors and 1 non-executive non Independent Director as on 31st March, 2022. 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 (detailed policies are available at link <https://www.vivimedlabs.com/other-data/>):

- 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



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COMMITTEES OF THE BOARD:

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

MANAGEMENT STRUCTURE

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

MANAGING DIRECTOR:

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

EXECUTIVE MANAGEMENT TEAM (EMT):

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

OPERATING MANAGEMENT TEAM (OMT):

The OMT consists of heads of functions / businesses within your Company who report to the EMT members. The OMT members lead the identified strategic initiatives, they deliberate on the efficiency and effectiveness of

the day-to-day operations, capability building within your Company to service customers and other stakeholders.

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

BOARD OF DIRECTORS

Composition of the Board as on 31st March, 2022:

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

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 2021-22, 5 (five) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days (except exemption given by MCA/ SEBI). 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:

28 th June, 2021	13 th August, 2021
6 th September, 2021	13 th November, 2021
14 th February, 2022	

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 2021-22 and at the Annual General Meeting (AGM) are detailed below:

Name of the Director	Designation	Number of Board Meetings		Attendance at AGM (the company not conducted any AGM during FY2022)
		Held	Attended	
Mr. Santosh Varalwar	Managing Director	5	4	
Mr. Subhash Varalwar	Non Executive Director	5	2	
Dr. Manohar Rao Varalwar	Whole Time Director	5	4	
Dr. Hari Gopal Jamalapuram	Independent Director	5	5	
Mr. Sandeep Varalwar	Whole Time Director	5	5	
Mrs. Umanath Varahabhotla*	Independent Director	4	4	
Ms. Aparna Bidarkar	Independent Director	1	1	

Note: *Mrs. Umanath Varahabhotla, Non-Executive/ Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022,

SELECTION OF INDEPENDENT DIRECTORS

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

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

LEAD INDEPENDENT DIRECTOR

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

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

INDEPENDENT DIRECTORS:

Mr. Harigopal Jamalapuram (Independent Director) of your Company have been appointed for a tenure of 5 (five) year by the shareholders of your Company through Postal ballot held on 28th March, 2020 (up to 36th Annual General Meeting to be held in calendar year 2024). Ms. Aparna Bidarkar (Independent Director) of your Company have been appointed for a tenure of 5 (five) year by the shareholders of your Company through Postal ballot held on 13th May, 2022 (up to 39th Annual General Meeting to be held in calendar year 2027). The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample Terms of appointment is available on the website of your Company and can be accessed through the following link: <http://www.vivimedlabs.com>.

INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 31st March, 2022, 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.



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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.
- Compliance report on Corporate Governance and other Quarterly filings done with Stock exchanges etc.

RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

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

POST MEETING FOLLOW-UP MECHANISM

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

COMPLIANCE

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

NUMBER OF BOARD MEETINGS

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

Date	Board Strength	No. of Directors Present
28 th June, 2021	6	3
13 th August, 2021	6	6
6 th September, 2021	6	5
13 th November, 2021	6	5
14 th February, 2022	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 2021-22.

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

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

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

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

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

**DIRECTORSHIP AND MEMBERSHIP ON COMMITTEES:**

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

Name of the Director	Nature of Directorships	Relationship with each other	As on 31 st March, 2022		
			No. of other Directorships*	Membership	Chairmanship
Mr. Santosh Varalwar DIN –00054763	Managing Director	Son of Manohar Rao Varalwar, Brother of Sandeep Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Mr. Subhash Varalwar DIN –00054789	Non-Executive Director	Brother of Manohar Rao Varalwar, Uncle of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Dr. Manohar Rao Varalwar DIN –00059815	Whole-time Director	Brother of Subhash Varalwar, Father of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Mr. Sandeep Varalwar DIN –01682951	Whole-time Director	Son of Manohar Rao Varalwar, Brother of Santosh Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
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
Ms. Aparna Bidarkar* DIN –05112945	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil

Note:

- ➔ Excludes directorship/ Membership/Chairmanship in Vivimed Labs Limited. Also excludes directorship in Foreign Companies, Private Limited Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.
- ➔ For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in Vivimed Labs Limited.
- ➔ *Mrs. Umanath Varahabhotla, Non-Executive/ Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022.

The shareholding of the Non-Executive Directors of your Company as on 31st March, 2022 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
Ms. Aparna Bidarkar*	Non-Executive/ Independent Director	NIL	NIL
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: *Mrs. Umanath Varahabhotla, Non-Executive/ Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022.

The shareholding of Executive Directors of your Company as on 31st March, 2022 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	21,57,650	2.60
Dr. Manohar Rao Varalwar	Whole-time Director	10,34,225	1.25
Mr. Sandeep Varalwar	Whole-time Director	18,75,647	2.26

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

Sl. No.	Name of the Director	Category	Specialisation
1	Mr. Santosh Varalwar	Managing Director	He has around 38 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 43 years of experience in Production, Quality control and R&D function
3	Dr. Manohar Rao Varalwar	Whole-time Director	He has around 53 years of experience in Administration, Biotechnology, pharmaceutical /chemicals products manufacturing and marketing
4	Mr. Sandeep Varalwar	Whole-time Director	He has more than 30 years of rich experience in manufacturing and marketing divisions of Pharma industry
5	Ms. Aparna Bidarkar	Non-Executive/ Independent Director	She has more than 25 years experience in consulting relating to healthcare, retail, housing, Technology driven infrastructure facilities-with large number of private and government clientele like APSRTC, APTDC, TSMSIDC, ICSI, GHMC etc.,
6	Dr. Hari Gopal Jamalapuram	Non-Executive/ Independent Director	He has more than 28 years experience in General Medical Practice.

*Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022.

FAMILIARISATION PROGRAM

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

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

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 2021-22, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Composition of the Audit Committee of the Board of Directors of the Company along with the Details of the Meetings Held and Attended during the Financial Year Ended 31st March, 2022 is Detailed Below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Dr. Hari Gopal Jamalapuram	Chairperson	4	4
Mr. Sandeep Varalwar	Member	4	4
Ms. Aparna Bidarkar	Member	1	1
Mrs. Umanath Varahabhotla*	Chairperson	3	3

Note: *Mrs. Umanath Varahabhotla, Non-Executive/Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022.

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

28 th June, 2021	13 th August, 2021
13 th November, 2021	14 th February, 2022

The Company has not conducted AGM for FY 2021, hence presence of the Chairperson of the Audit Committee for AGM does not arise.



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

1. Overseeing your Company's financial reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
 - (b) Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - (c) Compliance with the Listing Regulations and other legal requirements relating to financial statements;
 - (d) Disclosure of any related party transactions; and
 - (e) Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
 - (a) qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
 - (b) whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - (c) giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re- appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;

21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve, policy formulated for determination of material subsidiaries;
31. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
32. Any other matter referred to by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

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

The Committee met 2 (Two) times during the financial year 2021-22 on 13-08-2021 and 14-02-2022. 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 2021-22 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Dr. Hari Gopal Jamalapuram	Member	2	2
Mrs. Umanath Varahabhotla*	Member	1	1
Mr. Subhash Varalwar	Member	2	2
Ms. Aparna Bidarkar	Chairperson	-	-

Note: *Mrs. Umanath Varahabhotla, Non-Executive/ Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022.

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 2021-22 on 14-02-2022. 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 2021-22 is detailed below:

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

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

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

Details Pertaining to the Number of Complaints Received and Responded and the Status Thereof During the Financial Year 2021-22 are given below:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

The Committee met on 14-02-2022 during the financial year 2021-22. 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 2021-22 is detailed below:

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

Note: *Ms. Aparna Bidarkar, Non-Executive/Independent Director of the Company appointed on 14-02-2022.

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 2021-22

(Amount in ₹)

Name of the Director	Salary	Perquisites*	Commission#	Amount
Mr. Santosh Varalwar, Managing Director	1,20,00,000	-	-	1,20,00,000
Dr. Manohar Rao Varalwar, Whole time Director	60,00,000	-	-	60,00,000
Mr. Sandeep Varalwar, Whole time Director	1,00,00,000	-	-	1,00,00,000

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS DURING THE FY 2021-22

- There were no pecuniary transactions with any Non-Executive Director of the Company.
- 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 2021-22:

(Amount in ₹)

Name of the Director	Sitting fees
Ms. Aparna Bidarkar, *Independent Director	75,000
Mrs. Umanath Varahabhotla, Independent Director	4,00,000
Dr. Hari Gopal Jamalapuram, Independent Director	5,00,000
Mr. Subhash Varalwar, Non Executive Director	1,50,000

Note: *Mrs. Umanath Varahabhotla, Non-Executive/ Independent Director of the Company resigned on 10-01-2022 and Ms. Aparna Bidarkar, Non-Executive/ Independent Director of the Company appointed on 14-02-2022.

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
2020-21	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	17 th February, 2023	12:30 PM	NIL (This AGM is scheduled to be held on February 17, 2023)
2019-20	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	30 th December, 2020	11.30 AM	5

Year(s)	Location(s)	Meeting(s) Date	Time	No. of special resolution(s) set out at the AGM
2018-19	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	30 th September, 2019	11.30 AM	3
2017-18	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	27 th 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 18-10-2021:

- Issuance of 3,00,00,000 fully convertible warrants on preferential basis to the persons belonging to non-promoter category
- Issuance of 1,25,00,000 fully convertible warrants on preferential basis to the promoters / promoters group of the company
- Issuance of Securities through QIP/GDR/ADR/FCCB/etc.,

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

Resolution 1: Special Resolution - Issuance of 3,00,00,000 fully convertible warrants on preferential basis to the persons belonging to non-promoter category

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast
Votes by Remote E-Voting	218	1,89,61,295
Total	218	1,89,61,295

(ii) Voted against the resolution::

Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast
Votes by Remote E-voting	33	1,33,483
Total	33	1,33,483

(iii) Invalid votes:

Number of members voted	Number of valid votes cast (Shares)
-	-



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Resolution 2: Special Resolution - Issuance of 1,25,00,000 fully convertible warrants on preferential basis to the promoters/promoters group of the company

(i) Voted in favour of the resolution:

Number of members voted		Number of valid votes cast (Shares)	% of total number of valid votes cast
Votes by Remote E-Voting	211	1,88,37,439	98.65
Total	211	1,88,37,439	98.65

(ii) Voted against the resolution:

Number of members voted		Number of valid votes cast (Shares)	% of total number of valid votes cast
Votes by Remote E-Voting	40	2,57,339	1.35
Total	40	2,57,339	1.35

(iii) Invalid votes:

Number of members voted	Number of valid votes cast (Shares)
-	-

Resolution 3: Special Resolution -Issuance of Securities through QIP/GDR/ADR/FCCB /etc.,

(i) Voted in favour of the resolution:

Number of members voted		Number of valid votes cast (Shares)	% of total number of valid votes cast
Votes by Remote E-Voting	226	1,89,63,616	99.31
Total	226	1,89,63,616	99.31

(ii) Voted against the resolution:

Number of members voted		Number of valid votes cast (Shares)	% of total number of valid votes cast
Votes by Remote E-Voting	25	1,31,162	0.69
Total	25	1,31,162	0.69

(iii) Invalid votes:

Number of members voted	Number of valid votes cast (Shares)
-	-

Other details relating to this Postal Ballot is available in following link: <https://www.vivimedlabs.com/wp-content/uploads/2021/09/Postal-Ballot-Notice-and-Calendar-of-Events-September-2021.pdf>

MEANS OF COMMUNICATION

Quarterly results: The Company's quarterly results are published in 'Financial Express and Karnataka edition of Samyukta Karnataka newspapers and are displayed on website www.vivimedlabs.com.

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.

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

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

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

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

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

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

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

Dedicated e-mail ID: yugandhar.kopparthi@vivimedlabs.com

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

34th Annual General Meeting

Date : Monday, 27th March, 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

1st April to 31st March

Date of Book Closure

Wednesday, of 22nd March, 2023 to Monday, of 27th March, 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 31st March, 2023:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2023 are as follows:

Results	Tentative Dates
First Quarter	Around Second Week of August, 2022
Second Quarter and Half Yearly	Around Second Week of November 2022
Third Quarter and Nine Months	Around Second Week of February, 2023
Fourth Quarter and Annual	Around Last Week of May, 2023

Market Price Data

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31st March, 2022 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Traded Volume (No. of Shares) Lakhs	High (₹)	Low (₹)	Traded Volume (No. of Shares) Lakhs
2021						
Apr-21	41.50	15.80	53.67	41.50	15.85	435.24
May-21	34.20	25.75	62.46	33.60	25.65	192.98
Jun-21	31.65	25.00	17.86	31.90	25.05	66.60
Jul-21	27.40	22.20	15.98	27.45	22.25	58.76
Aug-21	25.50	18.30	10.30	25.50	18.75	56.58
Sep-21	24.15	19.90	10.10	23.95	19.85	50.70
Oct-21	23.40	17.25	11.65	23.30	17.05	57.64
Nov-21	21.40	17.30	14.24	21.20	17.20	70.42
Dec-21	23.55	17.80	33.92	23.60	17.85	187.70
2022						
Jan-22	26.50	19.60	35.18	26.50	19.05	190.26
Feb-22	22.60	15.70	14.84	22.50	15.80	71.80
Mar-22	18.65	14.25	10.82	18.85	14.25	77.69

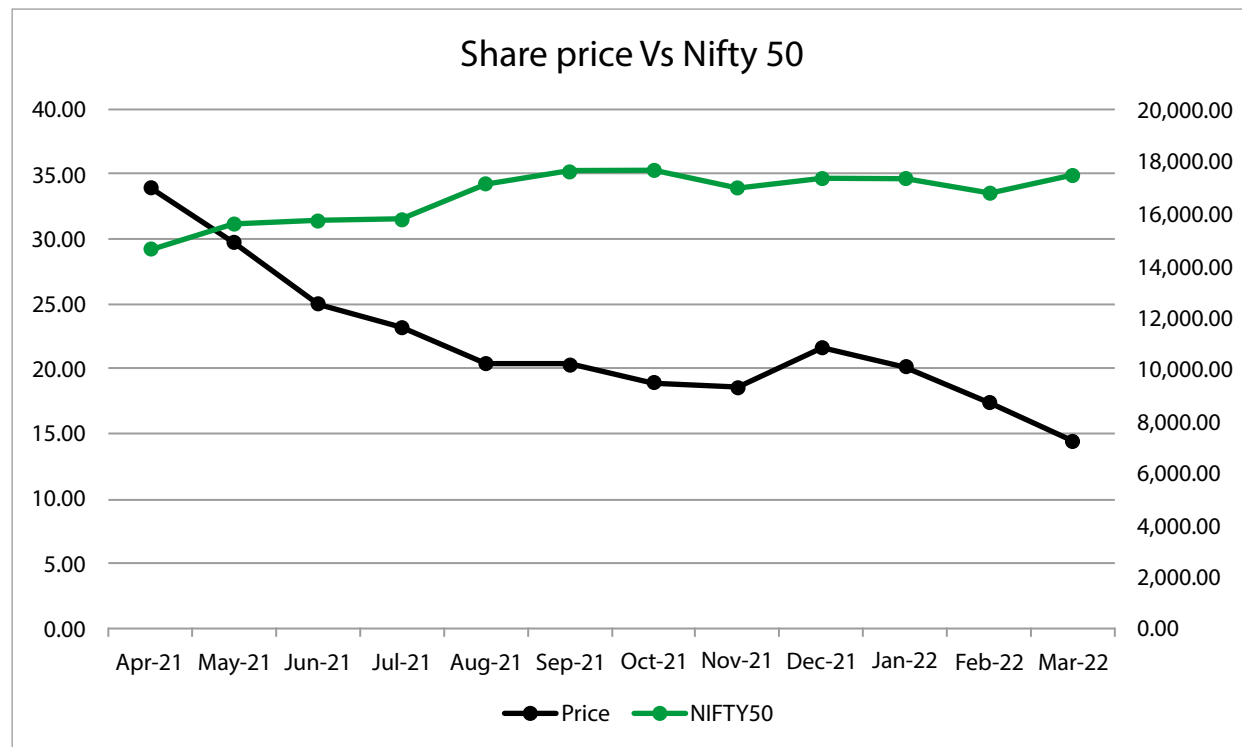
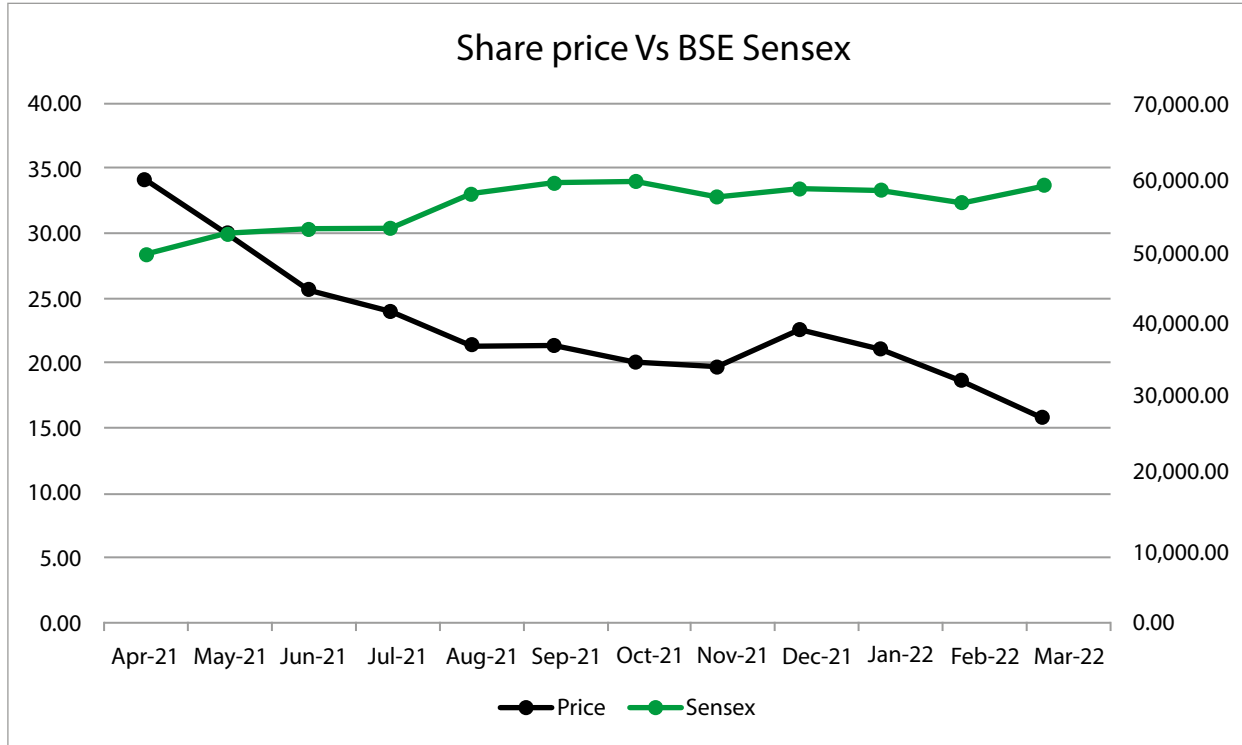
Source: BSE and NSE website

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 2021-22 (based on month end closing):



Registrar & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)

Aarthi Consultants Private Limited

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

Phone : 040 27638111/27634445

Fax : 040 27632184

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

Share Transfer System

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

Reconciliation of Share Capital

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

Distribution of shareholding of shares of your Company as on 31st March, 2022 is as follows:

SI No	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	49693	93.57	1,93,14,576	3,86,29,152	23.29
2	5001 - 10000	1868	3.52	70,50,582	1,41,01,164	8.5
3	10001 - 20000	870	1.64	65,46,990	1,30,93,980	7.9
4	20001 - 30000	255	0.48	31,80,462	63,60,924	3.84
5	30001 - 40000	122	0.23	22,13,555	44,27,110	2.67
6	40001 - 50000	64	0.12	14,48,607	28,97,214	1.75
7	50001 - 100000	131	0.25	44,52,414	89,04,828	5.37
8	100001 & Above	109	0.21	3,87,06,729	7,74,13,458	46.68
	Total:	53110	100	8,29,13,915	16,58,27,830	100

Shareholding Pattern as on 31st March, 2022:

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	87,26,527	10.52
b.	Central Government/State Government(s)	-	-	-
c.	Bodies Corporate	1	94,95,504	11.45
d.	Financial Institutions/Banks	-	-	-
	Sub Total (A)(1)	16	1,82,22,031	21.98
(2)	Foreign	-	-	-
	Sub Total (A)(2)	-	-	-
	Total Shareholding of Promoter and Promoter Group			
	(A)=(A)(1)+(A)(2)	16	1,82,22,031	21.98
(B)	Public Shareholding			
1	Institutions			



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SI	Category of Shareholder	No of Shareholders	Total Number of shares	shareholding as a percentage of total number of shares
a.	Mutual Funds	-	-	-
b.	Foreign Portfolio Investor	4	13,59,771	1.64
c.	Financial Institutions/Banks	-	-	-
d.	Foreign Institutional Investors	-	-	-
2	Sub Total (B)(1)	4	13,59,771	1.64
	Central Government/State Government(s)/President of India			
a.	Central Government/State Government(s)/ President of India	1	96,130	0.12
	Sub Total (B)(2)	1	96,130	0.12
3	Non-Institutions			
(a-i)	Individual shareholders holding nominal share capital up to ₹2 lakhs	52323	4,11,50,028	49.63
(a-ii)	Individual shareholders holding nominal share capital excess ₹2 lakhs	19	31,75,880	3.83
(b)	NBFCs Registered with RBI			
(e-i)	Non-Resident Indian (NRI) - Non Repatriable	154	5,10,587	0.62
(e-ii)	Non-Resident Indian (NRI) - Repatriable	296	39,28,807	4.74
(e-iii)	Corporate Bodies	223	30,55,470	3.69
(e-iv)	Corporate Bodies - Foreign Bodies	1	79,03,014	9.53
(e-ix)	Clearing Member	71	21,38,357	2.58
(e-vii)	Foreign National - FN	1	13,69,840	1.65
(e-viii)	Trust	1	4,000	0.00
	Sub Total (B)(3)	53,089	6,32,35,983	76.27
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	53,094	6,46,91,884	78.02
	Total (A)+(B)	53,110	8,29,13,915	100.00

Category-wise shareholding:



●	Non-institutions	76.27%
●	Promoter & Promoter Group	21.97%
●	Institutions	1.64%
●	Government	0.12%

Details of your Company's Dematerialized Shares as on 31st March, 2022:

Number of shares	% of total shares
81431205	98.21174

Break up of Shares in Physical and Demat Form as on 31st March, 2022:

Particulars	No. of Shares @ ₹2/- each	% of Shares
Physical segment	14,82,710	1.78825
Demat segment		
NSDL	4,86,80,853	58.71253
CDSL	3,27,50,352	39.49922
TOTAL	8,29,13,915	100.00000

Dematerialization of shares

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

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

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

Your Company has 25,00,000 (Twenty five lakhs) outstanding employee stock options convertible into equity shares of ₹2/- each as on 31st March, 2022.

PLANT LOCATIONS AS ON 31-03-2022:

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
- 130, Shanta Indl. Estate, 1st Floor, IB Patel Road, Goregaon Mumbai East - 63, State – Maharashtra

R&D CENTERS

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

Address for Correspondence:

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

M/s. Aarathi Consultants Private Limited

1-2-285, Domalguda

Hyderabad, India – 500029

Phone : 040 27638111/27634445

Fax : 040 27632184, Email : info@aarhiconsultants.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

DISCLOSURES

i) Related Party Transactions

During the year ended 31st March, 2022, there were no materially significant related party transactions, which could have potential



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conflict with the Company's interests at large. Statement in summary form of transactions with related parties is placed before the audit committee for review. All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests. In compliance with regulation 53(f) of the Listing Regulations and the accounting standard 18, transactions with related parties are disclosed in the notes to accounts.

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

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

ii) Details of non-Compliance etc.

The Company complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI except penalty (SOP) for (1) Non-submission of the Annual Report FY 2021 within the period prescribed under regulation 34 of SEBI (LODR) 2015, (2) delay in submission of Quarterly financials under regulation 33 of SEBI (LODR) 2015.

iii) Disclosure of Accounting Treatment

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

iv) Whistle Blower policy

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

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

v) Board Disclosures -Risk Management

The Company has a Risk Management Procedure in place which is reviewed periodically. Risk management is carried out to ensure the Company is not overly dependent on a particular product, customer or geography. In addition, the above facilitates not only in risk assessment

and timely rectification but also helps in minimization of risk associated with any strategic, operational, financial and compliance risk across all business operations.

vi) Subsidiary Companies

The Company 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 31st March, 2022. A declaration to this effect signed by Mr. Santosh Varalwar, Managing Director is given in Annexure to this report.

viii) MD and CFO certification

The Managing Director and the 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 30th May, 2022.

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 31st March, 2022.

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 31st March, 2022:

Sl. No	Payments to the Statutory Auditors (excluding taxes)	Fees ₹ in Lakhs
1	Statutory Audit fees paid for Audit of the Company	
2	Fees paid for Limited review of the Company	18.20
3	Fees paid for other services	
4	Reimbursement of expenses	
	Total	18.20

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 st March, 2022	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, <https://www.vivimedlabs.com/other-data/>.

xvii) Policy on Material Subsidiaries

In terms of regulation 16 of the Listing Regulations, the Board of Directors has adopted a policy with regard to determination of Material

Subsidiaries. The policy is placed on the website of the Company, <https://www.vivimedlabs.com/other-data/>.

xviii) Related Party Transactions Policy

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

xix) Prevention of Insider Trading

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

xxi) Commodity Price Risks and Commodity Hedging activities

The Company is not undertaken any commodity hedging activities.

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

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

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



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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 31st March, 2022

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 31st March, 2022.

Sd/-

Manohar Rao Varalwar
Whole-Time Director

Sd/-

Santosh Varalwar
Managing Director

Place: Hyderabad

Date: 13th February, 2023

PART B: COMPLIANCE CERTIFICATE**[See Regulation 17(8)]****MANAGING DIRECTOR AND 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 31-03-2022 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 31-03-2022 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 31-03-2022 – **NIL**
 - (2) Significant changes in accounting policies during the quarter and Year ended 31-03-2022 – **NIL**
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting – **NIL**

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

Sd/-
Santosh Varalwar
Managing Director

Sd/
Ramakanta Tripathy
Chief Financial Officer

Place: Hyderabad
Date: 18th May, 2022



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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) 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 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S.No.	Name of the Director	Designation	DIN No.
1	Santosh Varalwar	Managing director	00054763
2	Manohar Rao Varalwar	Whole-time director	00059815
3	Sandeep Varalwar	Whole-time director	01682951
4	Subhash Varalwar	Non-Executive Director	00054789
5	Hari Gopal Jamalapuram	Independent Director	08687353
6	Aparna Bidarkar	Independent Director	05112945

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

Place: Hyderabad,
 Date: 19th January, 2023

Sd/-
NVSS Suryanarayana Rao
Company Secretary in Practice
ACS No. 5868, CP No. 2886
UDIN Number: A005868D003011057

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: 14th February, 2022.
- 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 1st April, 2021 to 31st March, 2022.

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 1st April, 2021 to 31st March, 2022. 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 1st April, 2021 to 31st March, 2022.
- 5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 1st April, 2021 to 31st March, 2022 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 1st April, 2021 to 31st March, 2022 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: 19th January, 2023

Sd/-
NVSS Suryanarayana Rao
Company Secretary in Practice
ACS No. 5868, CP No. 2886
UDIN Number: A005868D003011145



Vivimed

**Annual Secretarial Compliance Report of M/s.Vivimed Labs Limited
for the financial year ended 31st March, 2022**

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

- (a) the documents and records made available to us and explanation provided by M/s.Vivimed Labs Limited Ltd (CIN: L02411KA1988PLC009465) having its registered office at Plot No.78/A, Kolhar Industrial Area, Bidar-585403 herein after referred to as "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 31st March, 2022 ("01-04-2021 to 31-03-2022") 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 Audit 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 during the Audit 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 during the Audit Period).
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable during the Audit Period).
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i. The Depositories Act, 1996
- j. The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client.

and circulars/ guidelines issued thereunder, and based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except Regulation 34 of SEBI (LODR) Regulations, 2015 i.e Annual Report for FY 2021 not submitted to the stock exchanges, not published on its website etc.
- (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 my 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(SOP) issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder, except freezing all the promoters' demat accounts & penalty under SOP for non-compliance of Regulation 34 of SEBI (LODR) Regulations, 2015
- (d) The listed entity was not required to take any actions on compliance matters as there were no observations in previous report issued for the financial year 2020-21.

Place: Hyderabad,
Date: 27th April, 2022

Sd/-
NVSS Suryanarayana Rao
Company Secretary in Practice
ACS No. 5868, CP No. 2886
UDIN Number: A005868D000216155



Vivimed

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 31st March, 2022, the of Profit and Loss (including other comprehensive income) the standalone Statement of changes in equity and standalone 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 31st March, 2022, 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 principal 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. Confirmations for receivables balances are yet to be received.
4. Confirmations of payables balances are yet to be received.
5. Vivimed labs Mauritius Limited (Wholly owned subsidiary) has lost its control over UQUIFA SCIENCES (MASCARENE LTD) from 100% to 18.34% holding during the FY 2020-21. However, the investment is still shown in books as per book value as on 31st March, 2022.
6. The State Bank of India appointed Forensic Auditors, the said audit is under progress and the final outcome is yet to come.

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 data-bbox="149 321 873 352">Contingent Liabilities and litigation Matters</p> <p data-bbox="149 359 873 422">Refer note 2.5 of the basis of preparation of financial statements and note 34 to the standalone financial statements.</p> <p data-bbox="149 449 873 617">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 data-bbox="149 644 873 739">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 data-bbox="149 745 873 808">Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position</p>	<p data-bbox="890 359 1605 390">Our audit procedures included the following:</p> <p data-bbox="890 396 1605 491">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 data-bbox="890 497 1605 529">Corroborating management's assessment by:</p> <ul data-bbox="890 535 1605 884" style="list-style-type: none"> <li data-bbox="890 535 1605 567">• making enquiries with the in-house legal counsel of the Company; <li data-bbox="890 573 1605 636">• verifying correspondence, orders and appeals in respect of open litigation; <li data-bbox="890 642 1605 716">• obtaining confirmations from internal legal counsel where relevant and/ or evaluating legal opinions obtained by the management; <li data-bbox="890 722 1605 819">• evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and <li data-bbox="890 825 1605 888">• evaluating adequacy of disclosures given in Note 34 to standalone financial statements.

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



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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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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:

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

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

i. The Company has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in its notes to standalone financial statements.

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

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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: 0160165

Sd/-

K Gopala Krishna
Partner

M No: 203605

UDIN: 22203605AKCFDW2966

Place: Hyderabad
Date: 3rd June, 2022



Vivimed

“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 31st March, 2022 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 31st March, 2022, 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: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022



“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 31st March, 2022, we report that:

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the title deeds of immovable properties, they are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the Periodicity of such verification is reasonable and procedures and coverage as followed by the management were appropriate. No discrepancies were noticed on verification between the physical inventory and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) The Company has not been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) (a) The Company has not made any investments and not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year, and hence reporting under clause 3(iii)(a)(b) of the Order is not applicable.
- (b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (c) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (d) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (e) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi) We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company is not regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Dividend distribution Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) There were undisputed amounts payable in respect of TDS, Dividend Distribution Tax in arrears as at 31st March, 2022 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	5,00,59,448
3	Provident Fund	1,74,91,569
4	ESI	26,36,712
5	Professional Tax	4,36,002

- 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 31st March, 2022 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	Nil	CIT(A)
2	Income Tax, 1961	AY 2007-08	73,96,750	CIT(A)
3	Income Tax, 1961	AY 2011-12	4,01,57,461	ITAT
4	Income Tax, 1961	AY 2012-13	7,61,020	ITAT
5	Income Tax, 1961	AY 2014-15	50,75,82,277	ITAT
6	Income Tax, 1961	AY 2012-13	8,85,16,851.00	ITAT
7	Income Tax, 1961	AY 2013-14	35,20,80,052.00	ITAT
8	Income Tax, 1961	AY 2015-16	52,20,73,582.00	ITAT
9	Income Tax, 1961	AY 2016-17	31,09,60,462.00	ITAT
10	Income Tax, 1961	AY 2017-18	30,17,90,179.00	ITAT

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- ix) (a) Based on our audit procedures and according to the information and explanations given to us, we have noted default in repayment of term loan installments and payment of interest to banks during the year. The unpaid overdue loan installments and interest as at 31st March, 2022 are as given below:

(Amount in Crores.)

Nature of Borrowing	Name of the Bank/ Institution	Amount not paid on due date	Whether principal or interest or both
Term Loan	Exim Bank	9.19	Both
Term Loan	SBI	49.19	Both
	Total	58.38	

The above loan accounts with Exim bank and SBI have become NPA.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.



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- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The company has not received any whistle blower complaints during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable, and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii) The Company has incurred cash losses during the current year and immediately preceding financial year the details of which are as below:

Cash loss for the FY 2021-22 and FY 2020-21 (₹ In Millions)

Particulars	FY 2021-22	FY 2020-21
Profit After Tax	(677.52)	(232.79)
Add/(Less):		
Deferred tax	28.12	2.34
Depreciation	174.49	157.95
Total Cash loss	(474.91)	(72.5)

- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected

dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the

future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sd/-

K Gopala Krishna
Partner

M No: 203605

UDIN: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022



Vivimed

STANDALONE BALANCE SHEET

as at 31st March, 2022

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

Particulars	Note	As at 31 st March, 2022	As at 31 st March, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	3,559.29	3,413.74
Capital work-in-progress	6	400.31	584.50
Goodwill		169.14	169.14
Other intangible assets	5	559.63	582.13
Financial assets			
Investments	7	1,611.36	1,611.36
		6,299.73	6,360.86
Current assets			
Inventories	8	2,390.69	2,536.84
Financial assets			
Trade receivables	9	633.89	767.01
Cash and cash equivalents	10 (A)	67.77	60.15
Bank balances other than cash and cash equivalents	10 (B)	-	-
Loans	11	42.33	43.81
Others	12	566.01	541.49
Current tax assets	13	106.71	119.66
Other current assets	14	610.74	518.51
		4,418.15	4,587.47
Total assets		10,717.88	10,948.33
Equity and Liabilities			
Equity			
Equity share capital	15	165.83	165.83
Other equity	16	4,406.91	5,078.84
Total equity		4,572.74	5,244.67
Non-current liabilities			
Financial Liabilities			
Borrowings	17(A)	606.13	571.04
Other financial liabilities	18 (A)	1,628.58	1,638.03
Deferred tax liabilities, net	19	111.51	83.32
Other non current liabilities	20 (A)	60.32	47.27
Provisions	21 (A)	80.39	64.01
		2,486.93	2,403.67
Current liabilities			
Financial Liabilities			
Borrowings	17(B)	2,963.28	2,662.73
Trade payables	22	-	-
(a) Total outstanding dues to micro, small and medium enterprises		-	-
(b) total outstanding dues to creditors other than micro, small and medium enterprises		374.06	328.89
Other financial liabilities	18(B)	118.67	106.20
Other current liabilities	20(B)	13.50	7.51
Provisions	21 (B)	4.26	8.62
Current tax liabilities	23	184.44	186.04
		3,658.21	3,299.99
Total liabilities		6,145.14	5,703.66
Total equity and liabilities		10,717.88	10,948.33
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: 016016S

Sd/-

K Gopala Krishna

Partner

Membership No.: 203605

UDIN: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315

STANDALONE STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2022

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

Particulars	Note	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from operations	24	2,183.67	2,100.45
Other income	25	12.59	60.75
Total income		2,196.26	2,161.20
Expenses			
Cost of materials consumed	26	1,429.19	927.55
Changes in inventories and work-in-progress	27	4.85	43.06
Employee benefit expenses	28	316.75	264.54
Other operating expenses	29	254.34	280.03
Depreciation and amortisation expense	30	174.49	157.95
Finance costs	31	395.27	414.92
Other expenses	32	270.72	308.27
Total expense		2,845.61	2,396.33
Profit/(loss) before exceptional items and tax		(649.35)	(235.13)
Exceptional items		-	-
Profit/(loss) before tax		(649.35)	(235.13)
Tax expenses			
Current tax	33	-	
Deferred tax	33	(28.17)	(2.34)
Total tax expense		(28.17)	(2.34)
Profit/(loss) for the year		(677.52)	(232.79)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan			
Income-tax effect	33	5.58	(59.10)
Other comprehensive income for the year, net of tax		5.58	(59.10)
Total comprehensive income for the year		(671.94)	(291.89)
Earnings per equity share (nominal value of ₹2) in INR	50		
Basic		(8.17)	(3.52)
Diluted		(7.93)	(3.42)
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: 016016S

Sd/-

K Gopala Krishna

Partner

Membership No.: 203605

UDIN: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

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Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315



Vivimed

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31st March, 2022

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

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
I. Cash flows from operating activities		
Profit before tax	(643.76)	(294.23)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	174.49	132.05
Amortisation of intangible assets	-	25.90
Finance income (including fair value change in financial instruments)	-	-
Finance costs (including fair value change in financial instruments)	395.27	414.92
Operating profit before working capital changes	(74.00)	278.65
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	133.12	129.68
Inventories	146.15	96.87
Loans - current	(23.04)	56.33
Other assets - current	(79.28)	634.22
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	45.16	20.67
Other financial liabilities	88.55	603.43
Other liabilities	4.38	(19.43)
Provisions	12.02	19.77
Cash generated from operations	253.05	1,820.19
Income taxes paid	-	(24.95)
Net cash generated from/(used in) operating activities	253.05	1,795.24
II. Cash flows from investing activities		
Proceeds from sale/ (Purchase of) property, plant and equipment and intangibles (including capital work in progress), net	(113.37)	(645.61)
Investments made during the year	-	(736.35)
Interest received (finance income)	-	-
Net cash used in investing activities	(113.37)	(1,381.96)

STANDALONE STATEMENT OF CASH FLOW (CONTD.)

for the year ended 31st March, 2022

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

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
III. Cash flows from financing activities		
Share issue proceeds	-	
Dividend paid	-	
Proceeds from/(repayment of) long-term borrowings, net	38.70	(108.66)
Proceeds from/(repayment of) short-term borrowings, net	224.49	59.57
Interest paid	(395.27)	(414.92)
Net cash provided by financing activities	(132.08)	(464.01)
Net increase in cash and cash equivalents (I+II+III)	7.62	(50.73)
Cash and cash equivalents at the beginning of the year	60.15	110.88
Cash and cash equivalents at the end of the year (refer note below)	67.77	60.15
Note:		
Cash and cash equivalents comprise:		
Cash on hand	0.03	0.03
Balances with banks:		
- in current accounts	67.74	60.12
	67.77	60.15

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: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

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 31st March, 2022

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

A. Equity Share Capital

(1) Current reporting period (31-03-2022)

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

(2) Previous reporting period (31-03-2021)

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

B. Other Equity

(1) Current reporting period (31-03-2022)

Particulars	Reserves and Surplus					Other Items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserves	Retained Earnings		
Balance at the 31st March, 2021	8.57	167.80	1,775.18	380.00	2,799.99	(52.70)	5,078.84
Restated balance at the beginning of the current reporting period	8.57	167.80	1,775.18	380.00	2,799.99	(52.70)	5,078.84
Profit for the year	-	-	-	-	(677.52)	-	(677.52)
Other comprehensive income	-	-	-	-	-	5.58	5.58
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	-	-
Balance at the 31st March, 2022	8.57	167.80	1,775.18	380.00	2,122.47	(47.12)	4,406.91

STANDALONE STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31st March, 2022

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

(2) Previous reporting period (31-03-2021)

Particulars	Reserves and Surplus					Other Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserves	Retained Earnings		
Balance at the 31st March, 2020	8.57	167.80	1,775.18	380.00	3,035.11	6.40	5,373.07
Restated balance at the beginning of the current reporting period	8.57	167.80	1,775.18	380.00	3,035.11	6.40	5,373.07
Profit for the year	-	-	-	-	(232.79)	-	(232.79)
Other comprehensive income	-	-	-	-	-	(59.10)	(59.10)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	(2.34)	-	(2.34)
Balance at the 31st March, 2021	8.57	167.80	1,775.18	380.00	2,799.98	(52.70)	5,078.84

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: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315



NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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, 31st March, 2022. The financial statements were authorised for issue by the Company's Board of Directors on 3rd June, 2022.

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:

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

Liabilities:

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

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

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

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 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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 31st March, 2022 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 1st 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.
- 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.



NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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.

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.



Vivimed

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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 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,

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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.

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;



NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

- 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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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;

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

(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
Gross Carrying amount											
At 31 st March, 2020	1,043.05	808.85	1,876.44	57.96	43.77	13.00	11.62	24.25	36.66	0.04	3,915.63
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
At 31st March, 2021	1,100	871	1,947.09	99.52	126.89	75.35	24.09	45.03	36.66	0.04	4,325.41
Additions	-	0.43	146.00	45.06	68.75	32.64	0.06	4.61	-	-	297.55
At 31st March, 2022	1,100	872	2,093	145	196	108	24	50	37	0	4,622.96
Accumulated depreciation											
At 31st March, 2020	0.08	180.18	532.91	28.54	24.43	8.19	5.36	(25.97)	25.88	0.03	779.63
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											
At 31st March, 2021	0.09	220.24	611.90	31.14	27.29	8.87	5.77	(23.54)	29.89	0.03	911.68
Depreciation	-	39.65	85.79	5.75	9.20	5.28	0.10	2.62	3.61	0.00	151.99
At 31st March, 2022	0.09	259.88	697.69	36.89	36.49	14.15	5.87	(20.92)	33.50	0.03	1,063.67
Net Carrying amount											
At 31st 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
At 31st March, 2022	1,099.45	611.74	1,395.41	107.69	159.15	93.83	18.28	70.56	3.17	0.01	3,559.29

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.
- All title deeds of immovable properties are held in the name of the company
- There are no proceedings initiated or pending against the company for holding any benami property under the benami transaction (prohibition) Act, 1988.



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

7 Investments

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non-current investments		
Investments carried at cost		
Unquoted equity shares		
Investments in subsidiaries		
10,15,000 (31 st March, 2021: 10,15,000) equity shares of ₹10 each in Finoso Pharma Private Limited	100.00	100.00
10,000 (31 st March, 2021: 10,000) equity shares of HKD 1 each in Vivimed Holdings Limited, Hong Kong	615.20	615.20
1,000 (31 st March, 2021: 1,000) equity shares of USD 0.01 each in Vivimed Labs USA Inc, USA	0.0005	0.0005
9,00,000 (31 st March, 2021: 9,00,000) equity shares of USD 1 each in Vivimed Labs Mauritius Limited, Mauritius	869.68	869.68
10,000 (31 st March, 2021: 10,000) equity shares of ₹10 each in Vivimed Speciality Chemicals Private Limited	0.10	0.10
NIL (31 st March, 2021: 1,41,33,440) equity shares of ₹10 each in Vivimed Life Sciences Private Limited		
Less: Provision for Impairment of Investments	(41.07)	(41.07)
Investments carried at fair value through profit and loss		
Investments in others		
Unquoted equity shares		
25,00,000 (31 st March, 2021: 25,00,000) equity shares of ₹10 each in Yantra Green Power Private Limited	25.00	25.00
Others	0.99	0.99
Investments through fair value of corporate guarantees		
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
Total	1,611.36	1,611.36
Total investments carried at cost	1,544	1,544
Total investments carried at fair value through profit and loss	26	26
Other investments	41	41

8 Inventories

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Raw Materials	1,309.50	1,478
Packing Materials	114.48	88
Semi-finished & Work-in-process	246.54	324
Finished Goods (including Goods in transit)	720.16	648
Total	2,390.69	2,536.84

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

9 Trade receivables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, considered good	661.34	790.22
	661.34	790.22
Less: Allowance for doubtful receivables	(27.45)	(23.21)
Total	633.89	767.01

Trade receivables Ageing Schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	507.30	38.19	97.98	-	17.87	661.34
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	(27.45)
Total Trade Receivables	507.30	38.19	97.98	-	17.87	633.89

Trade receivables Ageing Schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	596.75	57.30	88.19	-	47.98	790.22
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	(23.21)
Total Trade Receivables	596.75	57.30	88.19	-	47.98	767.01

10 (A) Cash and cash equivalents

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Balances with banks:		
- On current accounts	67.74	60.12
ii) Cash on hand	0.03	0.03
(A) Total -(i+ii)	67.77	60.15



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
iii) Bank balances other than cash and cash equivalents stated above		
- Unpaid dividend account	-	-
(B) Total (iii)	-	-
Total (i+ii+iii)	67.77	60.15

11 Loans (Unsecured, considered good unless otherwise stated)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current		
Loans and advances to related parties	42.33	43.81
Total	42.33	43.81

12 Others Financial Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current		
Security deposits	566.01	541.49
Total	566.01	541.49

13 Current tax assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance tax and TDS receivable	106.71	119.66
Less: Provision for taxes		
Total	106.71	119.66

14 Other assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current		
Unsecured, considered good		
Advances other than capital advances		
Staff advances	77.70	27.42
Other advances	380.24	336.54
Prepaid expenses	152.80	154.55
Total	610.74	518.51

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

15 Share Capital

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised Share Capital		
20,00,00,000 (31 st March, 2021: 20,00,00,000) equity shares of ₹2 each.	400.00	400.00
7,10,000 (31 st March, 2021: 7,10,000) preference shares of ₹1,000 each.	710.00	710.00
	1,110.00	1,110.00
Issued, subscribed and fully paid-up		
8,29,13,915 (31 st March, 2021: 8,29,13,915) equity shares of ₹2/- each fully paid-up.	165.83	165.83
	165.83	165.83

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	Number of Shares	Value
Balance at 31 st March, 2021 (Equity shares of ₹2/- each fully paid-up)	8,29,13,915	165.83
Issued during the year (Equity shares of ₹2/- each fully paid)		
Balance at 31st March, 2022 (Equity shares of ₹2/- each fully paid-up)	8,29,13,915	165.83

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity shares of ₹2/- each fully paid		
BBR Projects Private Limited		
Number of shares held	94,95,504	1,07,12,000
% of holding	11.45%	12.92%
Kitara PIIN 1102		
Number of shares held	79,03,014	88,10,562
% of holding	9.53%	10.63%

(d) Disclosure of share holding of promoters

Name of the promoter	No. of shares held	% of total shares	% change during the year
Santosh Varalwar	21,57,650	2.60%	(41.67)%
Manohar Rao Varalwar	10,34,225	1.25%	(20.09)%
Varalwar Subash	16,16,200	1.95%	-
Varalwar Sandeep	18,75,647	2.26%	-
Vithabai Varalwar	23,345	0.03%	(97.60)%
Mamatha Gurnukar	1,50,000	0.18%	-
Sujatha Varalwar	3,93,995	0.48%	(79.20)%



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Name of the promoter	No. of shares held	% of total shares	% change during the year
Madhavi Varalwar	2,00,000	0.24%	-
Neelima Vijaya Varalwar	1,00,000	0.12%	-
Vijay Kumar Varalwar	1,50,000	0.18%	-
Satish Gooty Agraharam	55,635	0.07%	-
Sheetal Varalwar	5,68,985	0.69%	-
Varalwar Padma	33,250	0.04%	-
S Raghunandan	3,17,500	0.38%	-
Chandrashekar Rao Sudigali	50,095	0.06%	-
Promoters Group			
BBR Projects Private Limited	94,95,504	11.45%	(11.36)%

16 Other equity

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Securities premium		
Opening balance	1,775.18	1,775.18
Additions during the year	-	-
Closing balance	1,775.18	1,775.18

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 st March, 2022	As at 31 st March, 2021
Capital reserve		
Opening balance	8.57	8.57
Additions during the year	-	-
Closing balance	8.57	8.57
General reserve		
Opening balance	167.80	167.80
Add: Transfers during the year	-	-
Closing balance	167.80	167.80

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 st March, 2022	As at 31 st March, 2021
Revaluation reserve		
Opening balance	380.00	380.00
Add: Additions from amalgamated entities	-	-
Closing balance	380.00	380.00
Retained earnings		
Opening balance	2,747.29	3,041.52

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Profit/(loss) for the year	(677.52)	(232.79)
Additions from amalgamated entities	-	-
Dividend paid during the year (including tax on dividend)	-	-
Ind AS Adjustment	-	(2.34)
Other comprehensive income	5.58	(59.10)
Closing balance	2,075.35	2,747.29
Total other equity	4,406.91	5,078.84

17(A) Borrowings

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-current Borrowings		
Secured loans		
Term loans		
- From banks	-	-
- From financial institutions	-	0.57
Other loans		
- From financial institutions	-	7.73
Unsecured loans		
Sales tax deferment loan	3.66	3.66
FCCB's From Financial Institutions	602.47	559.07
Total non-current borrowings	606.13	571.04
(B) Current Borrowings		
Secured loans repayable on demand		
Working capital loans		
- Cash credit and packing credit loans	2,161.43	1,936.95
- Foreign bills discounting	-	-
Current maturities of long term Debt	801.85	725.78
Total current borrowings	2,963.28	2,662.73

A. Term loans:

Term loan from Banks consists of:

- (i) Loan taken from SBI for ₹700 mn (USD 10.1 mn) repayable in 16 instalments from October 2017 to June 2022. This loan carries an interest rate of 16.5%.

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.



NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

B. Sales tax deferralment loan:

The Company has been granted an interest free sales tax deferralment 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 30th 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.

E. The company has not been declared as willful defaulter by any bank or financial institution.**18(A) Other financial liabilities**

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-Current		
Creditors for capital goods	170.06	171.63
Payable to related parties	1,458.53	1,466.40
	1,628.58	1,638.03
(B) Current		
Employee salaries payable	72.06	62.02
Employee bonus payable	17.27	31.55
Provision for expenses	29.35	12.63
	118.67	106.20

19 Deferred tax liabilities, net

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred tax asset		
- Tangible and Intangible assets	-	-
- Provision allowed under tax on payment basis	-	-
- Expected credit loss on financial assets	-	-
- MAT credit entitlement	-	-
Total		
Deferred tax liability	111.51	83.32
Total	111.51	83.32

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

20(A) Other liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-Current		
Deferred interest	36.80	32.43
Advances received	23.06	14.39
Advances from Sale of Spechem Asset	-	-
Financial guarantee liability	0.45	0.45
	60.32	47.27
(B) Current		
Financial guarantee liability	13.50	7.51
	13.50	7.51

21(A) Provisions

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-Current		
Provision for employee benefits		
- Gratuity/Sick leave/Leave Encashment	76.73	61.67
- Compensated absences	-	-
Provision for others	3.66	2.34
	80.39	64.01
(B) Current		
Provision for employee benefits		
- Gratuity/Sick leave/Leave Encashment	4.26	8.62
	4.26	8.62

22 Trade payables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	374.06	328.89
	374.06	328.89

The Company has not received any intimation from Suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure relating to the outstanding amount due to MSME & other than MSME has not been furnished.



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Trade payable ageing Schedule as on 31-03-2022

Particulars	Less than 1 year	Outstanding for following periods from due date of payment			
		1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	374.06	-	-	-	374.06
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing Schedule as on 31-03-2021

Particulars	Less than 1 year	Outstanding for following periods from due date of payment			
		1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	328.89	-	-	-	328.89
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

23 Current tax liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for taxes	186.04	186.04
Less: Advance tax and TDS receivable	1.60	-
	184.44	186.04

24 Revenue from operations

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Revenue from sale of products		
Domestic	2,083.86	1,856.08
Export	92.64	230.11
	2,176.50	2,086.19
Other operating revenue	7.17	14.26
	2,183.67	2,100.45

25 Other income

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unwinding of interest on assets discounted	-	-
Grants received	-	-
Guarantee income	-	-
Miscellaneous income	12.59	60.75
	12.59	60.75

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

26 Cost of materials consumed

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Opening Stock of Raw Materials and Consumables	1,477.75	1,534.36
Opening Stock of Packing Materials	87.54	84.74
Add : Opening Stock of Raw Material on Amalgamated Entities	-	-
Add : Opening Stock of Packing Material on Amalgamated Entities	-	-
Add : Purchases during the year	1,287.88	873.74
	2,853.17	2,492.84
Less : Closing Stock of Raw Materials and Consumables	1,309.50	1,477.75
Less : Closing Stock of Packing Materials	114.48	87.54
	1,429.19	927.55

27 Changes in inventories and Work-in-progress

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Finished Goods		
Inventories at the beginning of the year	647.65	776.83
Add : Amalgamated Entities Finished Goods	-	-
Less : Inventories at the end of the year	720.16	647.65
Sub Total (A)	(72.52)	129.18
Semi Finished Goods & Work-in-Progress		
Inventories at the beginning of the year	323.90	237.78
Less : Inventories at the end of the year	246.54	323.90
Sub Total (B)	77.37	(86.12)
Goods in transit		
(Increase) / Decrease in Inventories	4.85	43.06

28 Employee benefits expense

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Salaries, wages and bonus	295.30	240.77
Contribution to provident and other funds	6.68	8.18
Staff welfare expenses	14.77	15.59
	316.75	264.54

29 Other operating expenses

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Consumption of Stores & Spares	27.25	27.88
Power & Fuel	75.50	90.20
Wages & Allowances	8.45	5.52
Labour Charges	74.13	73.43



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Repairs to Building	0.41	1.06
Repairs to Machinery	20.39	20.82
Other Manufacturing Expenses	45.66	57.96
Loss on sale of asset	-	-
Job Work Charges	0.23	1.81
R & D Expenses	2.31	1.36
	254.34	280.03

30 Depreciation and amortisation expense

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Depreciation of tangible assets	151.99	132.05
Amortization of intangible assets	22.50	25.90
	174.49	157.95

31 Finance costs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest on term loans, ECB loans and vehicle loans	92.59	101.73
Interest on working capital loan and cash credit	290.49	298.15
Other borrowing cost	12.18	15.04
	395.27	414.92

32 Other expenses

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Business & Marketing Expenses	2.04	7.09
Bank charges	1.82	1.40
Commission & Discounts	51.10	52.39
Travelling Expenses - Foreign	0.32	-
Printing & Stationery	0.83	2.57
Telephone & Postage Expenses	1.41	3.23
Travelling Expenses	30.12	39.08
Rates & Taxes	0.37	2.60
Conveyance	17.95	6.56
Professional & Consultancy	24.67	8.23
Directors' Sitting Fee	0.45	1.70
Insurance	1.32	7.59
Rent	16.07	16.98
Other Administrative Expenses including provision impairment of Investment	88.11	131.93
Processing fee on term loans		1.45

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision against doubtful receivables	4.24	-
Fluctuation on Foreign exchange	-	(0.67)
Directors' Remuneration - Salary	28.00	24.25
Payment to Auditors:		
(i) As Auditor	1.82	1.82
(ii) For Taxation Matters	0.07	0.07
	270.72	308.27

33 Tax expenses

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to originating and reversal of temporary differences	(28.17)	(2.34)
Income tax expense recognised in the statement of profit or loss	(28.17)	(2.34)

Deferred tax related to items considered in OCI during the year

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Re-measurement gains/ (losses) on defined benefit plan	5.58	(59.10)
Income tax charge to OCI	5.58	(59.10)

34 Contingent liabilities and commitments

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Contingent liabilities:		
- Corporate guarantees given on behalf of others	15.00	15.00
- Letter of credit outstanding	-	-
- Bank guarantees	9.41	19.31
- Income tax demand	2,131.32	2,172.29
ii) Commitments:		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	-	-

35 The company doesn't have any transactions which are not recorded in books of accounts that has been surrender or disclosed for tax assessments under Income Tax Act, 1961 during the year.

36 The Company doesn't have any transactions or relationship with struck off companies.

37 The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

- 38** The company has not received any funds from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 39** The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 40** The company has complied with number of layers prescribed under clause (87) of section 2 of the act read with company rules, 2017
- 41** There are no charges or satisfaction of charges yet to be registered with ROC beyond the statutory period
- 42** The company has not applied for any scheme of arrangements in terms of section 230 to 237 of the companies act.

43 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 cum CFO) Yugandhar Kopparthi (Company Secretary)

b) Transactions with related parties

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Key Management Personnel		
Remuneration Paid*	38.98	39.81
Investments made		
In subsidiaries	-	-
Subsidiaries and step down subsidiaries		
Sale of goods	-	97.04
Purchase of goods	9.95	7.99
Advances given	15.81	319.3
Advances received	24.74	3.47

*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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

(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 st March, 2022	As at 31 st March, 2021
Finoso Pharma Private Limited	37.88	43.81
Vivimed Labs USA Inc.USA	(232.14)	(232.14)
Vivimed Labs Mauritius Limited	(488.14)	(488.14)
Vivimed Labs Spain USL	(259.77)	(259.77)
Union Quimico Farmaceutica SAU, Spain	(4.05)	(4.05)
Yantra Green Power Pvt Limited	(5.87)	(6.02)
Vivimed Holdings Ltd	523.41	523.41
Uquifa Mexico S.A. DE	0.45	0.45
BBR Green fields Private Limited	(958.53)	(958.53)

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.

44 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 st March, 2022	For the year ended 31 st March, 2021
a) Speciality Chemicals	412.04	535.09
b) Pharma	1771.63	1,565.37
c) Others	-	-
Total Revenue	2,183.67	2,100.45

Segment Results	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(Profit before Tax & Interest)		
a) Speciality Chemicals	(158.34)	(216.49)
b) Pharma	(95.74)	337.18
c) Others	-	-
Total:	(254.08)	120.69
Less: (i) Interest	395.27	414.92
(ii) Unallocable expenditure (Net of Un allocable income)	-	-
Total Profit before tax	(649.34)	(294.23)



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Segment Assets	As at 31 st March, 2022	As at 31 st March, 2021
a) Speciality Chemicals	1,933.51	1,975
b) Pharma	8,784.37	8,973
Total	10,717.88	10,948.33
Segment Liabilities		
a) Speciality Chemicals	1,272.02	1,181
b) Pharma	4,872.99	4,523
Total	6,145.00	5,703.66
Capital Employed		
a) Speciality Chemicals	2966.94	1,654.83
b) Pharma	6606.75	5,985.19
Total	9,573.69	7,640.01

45 Ratios

S. No.	Particulars	Numerator	Denominator	As at 31 st March, 2022	As at 31 st March, 2021	Variance (in %)
1	Current raio	Current assests	Current liabilities	1.21	1.39	(13.12)%
2	Debt-equity Ratio	Total Debt (1)	Share holders funds	0.78	0.62	26.60%
3	Debt-service coverage Ratio	Earnings Available for debt service	Debt Service	(0.20)	0.65	(131.21)%
4	Return on equity	Net profit after taxes	Average shareholder funds	(0.14)	(0.04)	219.69%
5	Trade receivables turnover ratio	Sales	Trade recivables	3.44	2.74	25.79%
6	Inventory turnover Ratio	Sales	Average inventory	0.89	0.81	9.09%
7	Trade payables turnover ratio	Purchases	Trade payables	3.44	2.66	29.60%
8	Net capital turnover Ratio	Sales	Working capital	2.87	1.63	76.13%
9	Net profit ratio	Net profit after tax	Sales	(0.31)	(0.11)	179.95%
10	Return on cpital employed	earnings before interest and taxes	Capital employed (2)	(0.03)	0.02	(246.59)%
11	Return on investment	Income generated from investments	Time weighted average investments	N/A	N/A	N/A

(1) Total debt comprise of long term Borrowings, current maturities of long term debt and short term borrowings

(2) Capital employed comprise of Networth, total debt and Deferred tax liability

46 Auditors' remuneration include:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory audit fee (including limited review)	1.82	1.82
Taxation matters	0.07	0.07
Total	1.89	1.89



NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

Expenses recognised in statement of profit and loss	As at 31 st March, 2022	As at 31 st March, 2021
Impact of 1% increase in discount rate	48.73	46.24
Impact of 1% decrease in discount rate	(57.56)	(55.20)
Impact of 1% increase in salary growth rate	60.40	58.21
Impact of 1% decrease in salary growth rate	(46.09)	(43.46)
Impact of 1% increase in attrition rate	56.28	53.71
Impact of 1% decrease in attrition rate	(48.98)	(46.70)
Impact of 1% increase in mortality rate	52.92	50.47
Impact of 1% decrease in mortality rate	(52.75)	(50.31)

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.

48 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th 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 31st March, 2022 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 st March, 2022	As at 31 st March, 2021
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

49 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%.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

(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 st March, 2022	As at 31 st March, 2021
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 st March, 2022	As at 31 st March, 2021
Cancellable lease expense	13.92	14.82
Non - cancellable lease expense	2.15	2.15
Total	16.07	16.98

50 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 st March, 2022	As at 31 st March, 2021
Profit for the year attributable to equity share holders	(677.52)	(232.79)
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 (₹)	(8.17)	(3.52)
Earnings per share of par value ₹2 – diluted (₹)	(7.93)	(3.42)

51 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 31st March, 2022 and 31st March, 2021. 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.



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NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

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 31st March, 2022 and 31st March, 2021.

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.

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:

Particulars	Increase/Decrease in Interest rate
31st March, 2022	
INR	+1%
INR	-1%
31st March, 2021	
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 ₹633.89 mn (31st March, 2021: ₹767.01mn). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	As at 31 st March, 2022	As at 31 st March, 2021
Opening balance	23.21	39.76
Credit loss provided/ (reversed)	4.2	(16.5)
Closing balance	27.45	23.21

No single customer accounts for more than 10% of the revenue as of 31st March, 2022, 31st March, 2021 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand
Year ended 31st March, 2022	
Borrowings	2,161
Trade payables	374
Year ended 31st March, 2021	
Borrowings	1,937
Trade payables	329

52 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 31st March, 2022, 31st March, 2021 was as follows:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Total equity attributable to the equity shareholders of the Company	4,573	5,245
As a percentage of total capital	56.16%	61.86%
Long term borrowings	606	571
Short term borrowings	2,963	2,663
Total borrowings	3,569	3,234
As a percentage of total capital	43.84%	38.14%
Total capital (equity and borrowings)	8,142	8,478

53 Subsequent Events

There are no significant events that occurred after the balance sheet date.

54 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: 016016S

Sd/-

K Gopala Krishna

Partner

Membership No.: 203605

UDIN: 22203605AKCFDW2966

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315



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INDEPENDENT AUDITOR'S REPORT

To the Members of

M/s VIVIMED LABS LIMITED

Report on the Audit of the Consolidated Financial Statements

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 31st March, 2022, 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 31st March, 2022, 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 ethical 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:

M/s Vivimed Labs Limited

1. The Company has defaulted in payment of interest and repayment of principal to State Bank of India and EXIM Bank, loan accounts have become N.P.A.
2. The company is defaulted in the payment of Statutory Dues with appropriate authorities.
3. Confirmations for receivables balances are yet to be received.
4. Confirmations of payables balances are yet to be received.
5. Vivimed Labs Mauritius Limited (Wholly owned subsidiary) has lost its control over UQUIFA SCIENCES (MASCARENE LTD) from 100% to 18.34% holding during the FY 2020-21. However, the investment is still shown in books as per book value as on 31st March, 2022.
6. The State Bank of India appointed Forensic Auditors, the said audit is under progress and the final outcome is yet to come.

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 Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

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

Key audit matters	How the matter was addressed in our audit
<p data-bbox="149 304 873 336">Contingent Liabilities and litigation Matters</p> <p data-bbox="149 346 873 409">Refer note 2.7 of the basis of preparation of financial statements and note 34 to the consolidated financial statements.</p> <p data-bbox="149 430 873 598">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 data-bbox="149 619 873 724">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 data-bbox="149 745 873 808">Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position.</p>	<p data-bbox="890 346 1605 378">Our audit procedures included the following:</p> <p data-bbox="890 378 1605 472">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 data-bbox="890 472 1605 504">Corroborating management's assessment by:</p> <ul data-bbox="890 525 1605 913" style="list-style-type: none"> <li data-bbox="890 525 1605 556">• making enquiries with the in-house legal counsel of the Company; <li data-bbox="890 577 1605 640">• verifying correspondence, orders and appeals in respect of open litigation; <li data-bbox="890 661 1605 724">• obtaining confirmations from internal legal counsel where relevant and/ or evaluating legal opinions obtained by the management; <li data-bbox="890 745 1605 840">• evaluating significant adjustments to legal provisions recorded during the year to determine if they were indicative of management bias; and <li data-bbox="890 861 1605 913">• evaluating adequacy of disclosures given in Note 34 to consolidated financial statements.

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.



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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 ₹7109.31 Millions as at 31st March, 2022, total revenues of ₹223.75 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 31st March, 2022 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the group companies is disqualified as on 31st March, 2022 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.
 - 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:
 - h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in its notes to Consolidated financial statements.
 - 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or



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- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Holding Company or its Subsidiary Company Incorporated in India has not declared or paid any Dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure B" a statement on the matters specified in paragraph 3(xxi) of the Order.

For P C N & Associates,
Chartered Accountants
Firm's Regn. No: 0160165

Sd/-

K Gopala Krishna
Partner

M. No: 203605

UDIN: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022

“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 31st March, 2022 We have audited the internal financial controls over financial reporting of 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,



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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 31st March, 2022, 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.

Place: Hyderabad
Date: 3rd June, 2022

Other Matters:

Our aforesaid report under section 143(3)(i) of the companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Indian subsidiary Company is based on the audit reports of the other auditors.

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

Sd/-

K Gopala Krishna
Partner

M. No: 203605

UDIN: 22203605AKGFED5952

“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VIVIMED LABS LIMITED of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For P C N & Associates,

Chartered Accountants

Firm's Regn. No: 016016S

Sd/-

K Gopala Krishna

Partner

M. No: 203605

UDIN: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022



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CONSOLIDATED BALANCE SHEET

as at 31st March, 2022

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

Particulars	Note	As at 31 st March, 2022	As at 31 st March, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	3,625.66	3,481.32
Capital work-in-progress	6	400.31	601.23
Goodwill		169.14	169.14
Other intangible assets	5	1,404.15	1,366.27
Financial assets			
Investments	7	1,988.21	1,988.21
Deferred tax assets, net		-	-
Other non-current assets	8(A)	-	0.03
		7,587.48	7,606.20
Current assets			
Inventories	9	2,407.66	2,556.83
Financial assets			
Trade receivables	10	873.64	1,075.03
Cash and cash equivalents	11(A)	71.84	64.31
Bank balances other than cash and cash equivalents	11(B)	-	-
Loans	12	429.49	199.45
Others	13	566.01	751.91
Current tax assets	14	106.71	119.66
Other current assets	8(B)	617.31	519.90
		5,072.67	5,287.10
Total assets		12,660.15	12,893.30
Equity and Liabilities			
Equity			
Equity share capital	15	165.83	165.83
Other equity	16	3,477.03	4,149.93
Equity attributable to the owners of the Company		3,642.86	4,315.76
Non-controlling interests		-	-
Total equity		3,642.86	4,315.76
Non-current liabilities			
Financial Liabilities			
Borrowings	17(A)	609.93	577.93
Other financial liabilities	18(A)	4,412.68	4,385.72
Deferred tax liabilities, net	19	116.81	85.95
Other non current liabilities	20(A)	60.32	50.03
Provisions	21(A)	83.63	67.16
		5,283.38	5,166.79
Current liabilities			
Financial Liabilities			
Borrowings	17(B)	2,978.88	2,678.24
Trade payables	22	418.94	342.52
Other financial liabilities	18(B)	119.62	186.09
Other current liabilities	20(B)	25.17	7.51
Provisions	21(B)	5.62	9.01
Current tax liabilities	23	185.68	187.38
		3,733.91	3,410.75
Total liabilities		9,017.29	8,577.54
Total equity and liabilities		12,660.15	12,893.30

Summary of significant accounting policies

3

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 0160165

Sd/-

K Gopala Krishna

Partner

Membership No.: 203605

UDIN: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2022

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

Particulars	Note	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from operations	24	2,372.87	8,614.67
Other income	25	12.70	98.23
Total income		2,385.57	8,712.90
Expenses			
Cost of materials consumed	26	1,529.98	3,578.20
Changes in inventories and work-in-progress	27	4.85	(32.94)
Employee benefits expense	28	362.22	1,897.47
Other operating expenses	29	280.58	1,851.47
Depreciation and amortisation expense	30	182.83	554.95
Finance costs	31	397.60	538.76
Other expenses	32	275.84	1,023.57
Total expense		3,033.90	9,411.49
Profit before tax		(648.33)	(698.57)
Tax expenses			
Current tax	33		33.66
Deferred tax	33	(28.17)	(13.37)
Total tax expense		(28.17)	20.29
Profit/(Loss) for the year before non-controlling interest		(676.50)	(718.86)
Profit/(Loss) attributable to non controlling interest		-	-
Profit/(Loss) attributable to owners of the Parent		(676.50)	(718.86)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plan		5.58	(59.10)
Income-tax effect	33		
Total		5.58	(59.10)
Other comprehensive income before non-controlling interest		5.58	(59.10)
Other comprehensive income attributable to non controlling interest		-	-
Other comprehensive income attributable to owners of the Parent		5.58	(59.10)
Total comprehensive income for the year before non controlling interest		(670.92)	(777.95)
Total comprehensive income attributable to non controlling interest		-	-
Total comprehensive income attributable to owners of the Parent		(670.92)	(777.95)
Earnings per equity share (nominal value of ₹2) in INR	46		
Basic		(8.16)	(8.67)
Diluted		(7.92)	(8.42)
Summary of significant accounting policies	3		

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 016016S

Sd/-

K Gopala Krishna

Partner

Membership No.: 203605

UDIN: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315



Vivimed

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March, 2022

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

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
I. Cash flows from operating activities		
Profit before tax	(642.75)	(757.66)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	182.82	529.05
Amoritsation of intangible assets	-	25.90
Finance costs (including fair value change in financial instruments)	397.60	538.76
Operating profit before working capital changes	(62.32)	336.05
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	201.39	1,415.64
Inventories	149.17	2,462.25
Loans - current	(44.15)	(158.59)
Other assets	(84.46)	248.17
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	76.42	(1,922.49)
Other financial liabilities	9.62	3,570.52
Other liabilities	16.65	(520.90)
Provisions	13.09	(8.60)
Cash generated from operations	275.40	5,422.05
Income taxes paid	-	250.70
Net cash generated from/(used in) operating activities	275.40	5,672.75
II. Cash flows from investing activities		
Proceeds from sale/(Purchase of) property, plant and equipment and intangibles (including capital work in progress), net	(164.10)	5171.10
Investments made during the year	-	(1,131.09)
Net cash used in investing activities	(164.10)	4,040.01

CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

for the year ended 31st March, 2022

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

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
III. Cash flows from financing activities		
Share issue proceeds	-	(3,252.21)
Movement in non-controlling interest	-	-
Dividend paid & sale of subsidiaries	-	-
Proceeds from/(repayment of) long-term borrowings, net	69.26	(4,129.67)
Proceeds from/(repayment of) short-term borrowings, net	224.56	(2,232.68)
Interest paid	(397.60)	(538.76)
Net cash provided by financing activities	(103.79)	(10,153.32)
Net increase in cash and cash equivalents (I+II+III)	7.53	(440.58)
Cash and cash equivalents at the beginning of the year	64.31	504.89
Cash and cash equivalents at the end of the year (refer note below)	71.84	64.31
Note:		
Cash and cash equivalents comprise:		
Cash on hand	0.11	0.10
Balances with banks:		
- in current accounts	71.73	64.21
	71.84	64.31

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: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

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 31st March, 2022

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

A. Equity Share Capital

(1) Current reporting period (31-03-2022)

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

(2) Previous reporting period (31-03-2021)

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

B. Other Equity

(1) Current reporting period (31-03-2022)

Particulars	Reserves and Surplus						Other Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserves	Foreign currency adjustment	Retained Earnings		
Balance at the 31st March, 2021	8.57	141.16	2,313.80	380.00	(156.30)	1,515.47	(52.77)	4,149.93
Restated balance at the beginning of the current reporting period	8.57	141.16	2313.80	380.00	(156.30)	1515.47	(52.77)	4,149.93
Profit for the year	-	-	-	-	-	(676.50)	-	(676.50)
other comprehensive income	-	-	-	-	-	-	5.58	5.58
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	(1.99)	-	(1.99)
Balance at the 31st March, 2022	8.57	141.16	2,313.80	380.00	(156.30)	836.98	(47.18)	3,477.03

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31st March, 2022

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

(2) Previous reporting period (31-03-2022)

Particulars	Reserves and Surplus						Other Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserves	Foreign currency adjustment	Retained Earnings		
Balance at the 31st March, 2020	8.57	141.16	2,313.80	380.00	(156.30)	2,234.33	6.33	4,927.90
Restated balance at the beginning of the current reporting period	8.57	141.16	2313.80	380.00	(156.30)	2234.33	6.33	4,927.90
Profit for the year	-	-	-	-	-	(718.86)	-	(718.86)
other comprehensive income	-	-	-	-	-	-	(59.10)	(59.10)
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	-	-	-
Balance at the 31st March, 2021	8.57	141.16	2,313.80	380.00	(156.30)	1,515.47	(52.77)	4,149.93

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: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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, 31st March, 2022. The financial statements were authorised for issue by the Company's Board of Directors on 3rd June, 2022.

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	Relation-ship	Country of incorporation	Percentage of ownership/ voting rights	
			31 st March, 2022	31 st March, 2021
Finoso Pharma Private Limited	Subsidiary	India	100%	100%
Vivimed Holdings Limited	Subsidiary	India	100%	100%
Vivimed Labs USA INC.	Subsidiary	USA	100%	100%
Vivimed Labs Mauritius Limited	Subsidiary	Mauritius	100%	100%

2.3 Basis of consolidation

(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.

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2.6 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

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

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

Liabilities:

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

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

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

2.7 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at 31st March, 2022 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



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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 1st 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.
- 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed 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



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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 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

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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.

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.



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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.

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).

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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.

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:



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– 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

(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
Gross Carrying amount												
At 31 st 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 31st 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
Additions	-	0.43	147.51	45.06	68.82	32.64	0.06	4.61	-	-	6.77	305.89
Disposals/ adjustments									1.23			1.23
At 31st March, 2022	1,554.15	1,346.44	2,525.72	142.10	327.52	136.84	84.44	72.76	48.73	0.29	8.80	6,247.78
Accumulated depreciation												-
At 31st 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 31st 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
Charge for the year	-	39.65	91.48	5.84	9.54	5.33	0.30	2.71	5.11	-	0.38	160.32
Disposals / adjustments												-
At 31st March, 2022	(25.16)	386.21	2,106.99	29.39	41.35	32.97	34.84	(25.86)	40.46	0.16	0.76	2,622.11
Net Carrying amount												
At 31st 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
At 31st March, 2022	1,579.31	960.23	418.73	112.70	286.17	103.87	49.60	98.62	8.27	0.13	8.03	3,625.66

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.
- All title deeds of immovable properties are held in the name of the company
- There are no proceedings initiated or pending against the company for holding any benami property under the benami transaction (prohibition) Act, 1988.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

7 Investments

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non-current investments		
Investments carried at fair value through profit and loss	-	-
Investments in others	-	-
Unquoted equity shares		
25,00,000 (31 st March, 2021: 25,00,000) equity shares of ₹10 each in Yantra Green Power Private Limited	25.00	25.00
Others	1,963.21	1,963.21
Total	1,988.21	1,988.21
Total investments carried at fair value through profit and loss	1,988.21	1,988.21

8 Other assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-current		
Unsecured, considered good	-	-
Capital advances	-	-
Advances other than capital advances	-	0.03
Prepaid leases	-	-
	-	0.03
(B) Current		
Unsecured, considered good		
Advances other than capital advances		
Other advances	458.64	335.58
Prepaid expenses	158.67	155.59
Export incentives	-	28.73
Total	617.31	519.90

9 Inventories

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Raw Materials	1,326.13	1,497.39
Packing Materials	114.48	87.54
Semi-finished & Work in process	246.54	324.24
Finished Goods (including Goods in transit)	720.51	647.65
Total	2,407.66	2,556.83



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

10 Trade receivables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, considered good	901.09	1,098.24
	901.09	1,098.24
Less: Allowance for doubtful receivables	(27.45)	(23.21)
Total	873.64	1,075.03

Trade receivables Ageing Schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	726.22	43.30	98.15	7.29	23.21	898.18
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	2.92	-	2.92
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	(27.45)
Total Trade Receivables	726.22	43.30	98.15	10.21	23.21	873.64

Trade receivables Ageing Schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	881.22	62.46	99.77	4.03	50.77	1,098.24
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	(23.21)
Total Trade Receivables	881.22	62.46	99.77	4.03	50.77	1,075.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

11 (A) Cash and cash equivalents

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Balances with banks:		
- On current accounts	71.73	64.21
ii) Cash on hand	0.11	0.10
(A) Total -(i+ii)	71.84	64.31
iii) Bank balances other than cash and cash equivalents stated above		
- Unpaid dividend account	-	-
(B) Total (iii)	-	-
Total (i+ii+iii)	71.84	64.31

12 Loans (Unsecured, considered good unless otherwise stated)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current		
Loans and advances to related parties	119.72	121.20
Loans to employees and others	309.77	78.25
Total	429.49	199.45

13 Others Financial Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current		
Interest receivable	-	-
Security deposits	566.01	751.91
Total	566.01	751.91

14 Current tax assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance tax and TDS receivable	106.71	119.66
Less: Provision for taxes	-	-
Total	106.71	119.66

15 Share Capital

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised Share Capital		
20,00,00,000 (31 st March, 2021: 20,00,00,000) equity shares of ₹2 each.	400.00	400.00
7,10,000 (31 st March, 2021: 7,10,000) preference shares of ₹1,000 each.	710.00	710.00
	1,110.00	1,110.00



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Issued, subscribed and fully paid-up		
8,29,13,915 (31 st March, 2021: 8,29,13,915) equity shares of ₹2/- each fully paid-up.	165.83	165.83
	165.83	165.83

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	Number of Shares	Value
Balance at 31 st March, 2021 (Equity shares of ₹2/- each fully paid-up)	8,29,13,915	165.83
Issued during the year (Equity shares of ₹2/- each fully paid)	-	-
Balance at 31st March, 2022 (Equity shares of ₹2/- each fully paid-up)	8,29,13,915	165.83

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity shares of ₹2/- each fully paid		
BBR Projects Private Limited		
Number of shares held	94,95,504	1,07,12,000
% of holding	11.45%	12.92%
Kitara PIIN 1102		
Number of shares held	79,03,014	88,10,562
% of holding	9.53%	10.63%

(d) Disclosure of share holding of promoters

Name of the promoter	No. of shares held	% of total shares	% change during the year
Santosh Varalwar	21,57,650	2.60%	(41.67)%
Manohar Rao Varalwar	10,34,225	1.25%	(20.09)%
Varalwar Subash	16,16,200	1.95%	-
Varalwar Sandeep	18,75,647	2.26%	-
Vithabai Varalwar	23,345	0.03%	(97.60)%
Mamatha Gurnukar	1,50,000	0.18%	-
Sujatha Varalwar	3,93,995	0.48%	(79.20)%
Madhavi Varalwar	2,00,000	0.24%	-
Neelima Vijaya Varalwar	1,00,000	0.12%	-
Vijay Kumar Varalwar	1,50,000	0.18%	-
Satish Gooty Agharam	55,635	0.07%	-
Sheetal Varalwar	5,68,985	0.69%	-
Varalwar Padma	33,250	0.04%	-

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for the year ended 31st March, 2022

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

Name of the promoter	No. of shares held	% of total shares	% change during the year
S Raghunandan	3,17,500	0.38%	-
Chandrashekar Rao Sudigali	50,095	0.06%	-
Promoters Group			
BBR Projects Private Limited	94,95,504	11.45%	(11.36)%

16 Other equity

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Securities premium	-	-
Opening balance	2,313.80	2,313.80
Additions during the year	-	-
Closing balance	2,313.80	2,313.80

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 st March, 2022	As at 31 st March, 2021
Capital reserve	-	-
Opening balance	8.57	8.57
Additions during the year	-	-
Closing balance	8.57	8.57
General reserve	-	-
Opening balance	141.16	141.16
Add: Transfers during the year	-	-
Closing balance	141.16	141.16

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 st March, 2022	As at 31 st March, 2021
Revaluation reserve	-	-
Opening balance	380.00	380.00
Add: Additions during the year	-	-
Closing balance	380.00	380.00
Foreign currency adjustment	-	-
Opening balance	(156.30)	(156.30)
Add: Additions during the year	-	-
Closing balance	(156.30)	(156.30)
Retained earnings	-	-
Opening balance	1,462.70	2,240.65
Profit/(loss) for the year	(676.50)	(718.86)
Additions during the year	-	-



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Ind AS Adjustment	(1.99)	-
Dividend paid/sale of subsidiaries		-
Other comprehensive income	5.58	(59.10)
Closing balance	789.79	1,462.70
Total other equity	3,477.03	4,149.93

17 Borrowings

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-current Borrowings		
Secured loans		
Term loans		
- From Banks (refer note A below)	-	6.89
- From Financial institutions (refer note A below)	-	0.57
Redeemable preference shares		
- From Financial institutions (refer note C below)	-	-
Other loans		
- From financial institutions	3.80	7.73
Unsecured loans		
Sales tax deferment loan (refer note B below)	3.66	3.66
FCCB's From Financial Institutions (refer note C below)	602.47	559.07
Total non-current borrowings	609.93	577.93
(B) Current Borrowings		
Secured loans repayable on demand		
Working capital loans		
- Cash credit and packing credit loans (refer note D below)	2,175.89	1,952.47
- Foreign bills discounting	-	-
- Others	-	-
Current maturities of long term debt (secured)	802.99	725.77
Total current borrowings	2,978.88	2,678.24

A. Term loans:

Term loan from Banks consists of:

- (i) Loan taken from SBI for USD 10.1 million repayable in 16 instalments from October 2017 to June 2021. This loan carries an interest rate of 5.84%.

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. 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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

B. Sales tax deferral loan:

The Company has been granted an interest free sales tax deferral 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 30th 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.

18 Other financial liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-Current		
Creditors for capital goods	170.06	171.63
Payable to related parties	4,242.63	4,214.10
	4,412.68	4,385.72
(B) Current		
Employee salaries payable	72.06	94.40
Employee bonus payable	17.27	56.25
Provision for expenses	30.30	35.44
	119.62	186.09

19 Deferred tax liability, net

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred tax asset		
- Tangible and Intangible assets	-	-
- Provision allowed under tax on payment basis	-	-
- Expected credit loss on financial assets	-	-
- MAT credit entitlement	-	-
Total	-	-
Deferred tax liability	116.81	85.95
Total	116.81	85.95



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

20 Other liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-Current		
Deferred interest	-	-
Advances received	60.32	49.66
Grants receivable	-	0.37
	60.32	50.03
(B) Current		
Statutory liabilities	25.17	7.51
	25.17	7.51

21 Provisions

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Non-Current		
Provision for employee benefits	-	-
- Gratuity/leave encashment/sick leave (refer note 36)	79.97	63.13
- Compensated absences	-	-
Provision for others	3.66	4.04
	83.63	67.16
(B) Current		
Provision for employee benefits		
- Gratuity/leave encashment/sick leave (refer note 36)	5.62	9.01
- Compensated absences	-	-
	5.62	9.01

22 Trade payables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 37)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	418.94	342.52
	418.94	342.52

The Company has not received any intimation from Suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure relating to the outstanding amount due to MSME & other than MSME has not been furnished.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Trade payable ageing Schedule as on 31-03-2022

Particulars	Less than 1 year	Outstanding for following periods from due date of payment			
		1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	392.32	26.19	0.04	0.39	418.94
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing Schedule as on 31-03-2021

Particulars	Less than 1 year	Outstanding for following periods from due date of payment			
		1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	340.89	0.37	1.26	-	342.52
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

23 Current tax liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for taxes	185.68	187.38
Less: Advance tax and TDS receivable	-	-
	185.68	187.38

24 Revenue from operations

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Revenue from sale of products		
Domestic	2,307.50	3,196.21
Export	58.20	5,215.99
	2,365.70	8,412.20
Other operating revenue	7.17	202.48
	2,372.87	8,614.67

25 Other income

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Grants received		
Miscellaneous income	12.70	98.23
	12.70	98.23



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

26 Cost of materials consumed

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Opening Stock of Raw Materials and Consumables	1,497.39	2,505.13
Opening Stock of Packing Materials	87.54	94.29
Opening Stock of Raw Material (JDV)	-	-
Opening Stock of Packing Material (JDV)	-	-
Add : Purchases during the year	1,385.66	2,563.72
	2,970.60	5,163.14
Less : Closing Stock of Raw Materials and Consumables	1,326.13	1,497.39
Less : Closing Stock of Packing Materials	114.48	87.54
	1,529.98	3,578.20

27 Changes in inventories and Work-in-progress

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Finished Goods		
Inventories at the beginning of the year	647.65	1,958.39
Less : Inventories at the end of the year	720.51	647.65
Sub Total (A)	(72.86)	1,310.74
Semi Finished Goods & Work-in-Progress		
Inventories at the beginning of the year	324.24	958.31
Less : Inventories at the end of the year	246.54	324.24
Sub Total (B)	77.71	634.07
Goods in transit and stock in trade		
Fluctuation in foreign exchange	-	204.78
Changes in Inventories diff (Divestment of Subsidiaries)	-	(2,182.52)
(Increase) / Decrease in Inventories	4.85	(32.94)

28 Employee benefits expense

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Salaries, wages and bonus	349.96	1,848.19
Staff welfare expenses	5.58	49.29
Contribution to Provident fund and other funds	6.68	
	362.22	1,897.47

29 Other operating expenses

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Consumption of Stores & Spares	47.25	184.17
Power & Fuel	59.05	335.20
Wages & Allowances	8.45	5.52

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for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Labour Charges	74.13	214.94
Repairs to Building	2.21	18.24
Repairs to Machinery	20.39	229.96
Other Manufacturing Expenses	45.93	597.27
Loss on sale of asset	-	-
Job Work Charges	19.79	1.81
R & D Expenses	3.37	264.37
	280.58	1,851.47

30 Depreciation and amortisation expense

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Depreciation of tangible assets	160.32	528.95
Amortization of intangible assets	22.51	26.00
	182.83	554.95

31 Finance costs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest on term loans, ECB loans and vehicle loans	93.17	129.04
Interest on working capital loan and cash credit	292.25	376.13
Other borrowing cost	12.18	33.58
	397.60	538.76

32 Other expenses

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Business & Marketing Expenses	2.64	32.42
Bank charges	2.25	18.28
Commission & Discounts	51.10	93.90
Travelling Expenses - Foreign	0.32	1.96
Other selling expenses		16.19
Printing & Stationery	1.57	6.04
Telephone & Postage Expenses	2.59	10.61
Travelling Expenses	32.69	39.77
Rates & Taxes	0.95	37.32
Conveyance	19.92	6.56
Consultancy Charges	31.43	134.90
Insurance	2.02	34.84
Rent	23.99	71.33
Other Administrative Expenses	71.45	391.90



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Processing fee on term loans	-	3.60
Provision against doubtful receivables	0.08	-
Fluctuation on Foreign exchange	0.19	91.30
Payment to Auditors:		
(i) As Auditor	32.48	32.48
(ii) For Taxation Matters	0.17	0.17
	275.84	1,023.57

33 Tax expenses

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current income tax:		
Current income tax charge	-	33.66
Deferred tax:		
Relating to originating and reversal of temporary differences	(28.17)	(13.37)
Income tax expense recognised in the statement of profit or loss	(28.17)	20.29

Deferred tax related to items considered in OCI during the year

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Re-measurement gains/ (losses) on defined benefit plan	5.58	(59.10)
Income tax charge to OCI	5.58	(59.10)

34 Contingent liabilities and commitments

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Contingent liabilities:		
- Corporate guarantees given on behalf of others	15.00	15.00
- Letter of credit outstanding	-	-
- Bank guarantees	9.41	19.31
- Income tax demand	2,131.32	2,172.29
ii) Commitments:		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances		

35 There are no proceedings initiated or pending against the company or the group for holding any benami property under the benami transaction (prohibition) Act, 1988.

36 None of the companies included in the group Have been declared as willful defaulter by any bank or financial institution.

37 The Companies included in the group doesn't have any transactions or relationship with struck off companies.

38 The company has complied with number of layers prescribed under clause (87) of section 2 of the act read with company rules, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

39 The company and its subsidiaries doesn't have any transactions which are not recorded in books of accounts that has been surrendered or disclosed for tax assessments under Income Tax Act, 1961 during the year.

40 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 cum CFO) Manohar Rao Varalwar (Executive Director) Sandeep Varalwar (Executive Director) Yugandhar Kopparthi (Company Secretary)

b) Transactions with related parties

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Key Management Personnel		
Remuneration Paid*	39.93	39.81
Subsidiaries and step down subsidiaries		
Sale of goods	-	97.04
Purchase of goods	9.95	7.99
Advances given	15.81	319.3
Advances received	24.74	3.47

*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 st March, 2022	As at 31 st March, 2021
Yantra Green Power	(5.87)	(6.02)
BBR Green fields Private Limited	(958.53)	(958.53)

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.

41 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

The Group has two reportable segments - Speciality Chemicals Business and Pharma Business.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

The segment revenue, profitability, assets and liabilities are as under:

Revenue by segment	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
a) Speciality Chemicals	412.04	535.09
b) Pharma	1960.83	8,079.59
c) Others		
Total Revenue	2,372.87	8,614.67

Segment Results	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(Profit before Tax & Interest)		
a) Speciality Chemicals	(158.34)	(216.49)
b) Pharma	(92.39)	(2.40)
c) Others		
Total:	(250.73)	(218.90)
Less: (i) Interest	397.604	538.76
(ii) Unallocable expenditure (Net of Un allocable income)		
Total Profit before tax	(648.33)	(757.66)

Segment Assets	As at 31 st March, 2022	As at 31 st March, 2021
a) Speciality Chemicals	1,939.36	1,975
b) Pharma	10,720.79	10,918
Total	12660.16	12,893

Segment Liabilities		
a) Speciality Chemicals	1,103.96	1,181
b) Pharma	6,916.41	7,397
Total	8020.38	8,578

Capital Employed		
a) Speciality Chemicals	1144.19	1,092
b) Pharma	8533.43	8,387
Total	9,677.62	9,479

42 Auditors' remuneration include:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory audit fee (including limited review)	32.48	32.48
Taxation matters	0.17	0.17
Total	32.66	32.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

43 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 ₹20,00,000.

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 st March, 2022	As at 31 st March, 2021
Opening balance	50.39	95.59
Current service cost	5.98	6.27
Interest cost	3.43	6.50
Benefits paid	-	-
Actuarial gain	(6.96)	(57.97)
Closing balance	52.83	50.39
Present value of projected benefit obligation at the end of the year	52.83	50.39
Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet	52.83	50.39
Current provision	3.09	1.56
Non current provision	49.75	48.83
Expenses recognised in statement of profit and loss		
	As at 31st March, 2022	As at 31st March, 2021
Service cost	5.98	6.27
Interest cost	3.43	6.50
Gratuity cost	9.41	12.77
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to others	(6.96)	(57.97)
Remeasurement because of OB difference	-	-
Return on plan assets greater (less) than discount rate	-	-
Total expenses routed through OCI	(6.96)	(57.97)
Assumptions		
	As at 31st March, 2022	As at 31st March, 2021
Discount rate (per annum)	6.80%	6.80%
Future salary increases	5.00%	5.00%



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

(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:

	As at 31 st March, 2022	As at 31 st March, 2021
Impact of 1% increase in discount rate	48.73	46.24
Impact of 1% decrease in discount rate	(57.56)	(55.20)
Impact of 1% increase in salary growth rate	60.40	58.21
Impact of 1% decrease in salary growth rate	(46.09)	(43.46)
Impact of 1% increase in attrition rate	56.28	53.71
Impact of 1% decrease in attrition rate	(48.98)	(46.70)
Impact of 1% increase in mortality rate	52.92	50.47
Impact of 1% decrease in mortality rate	(52.75)	(50.31)

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

44 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th 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 31st March, 2022 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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

45 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%.

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Not later than 1 year	13.02	13.02
Later than 1 year and not later than 5 years	11.30	11.30
Later than 5 years	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

ii) Amounts recognised in statement of profit and loss:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Cancellable lease expense	21.84	69.18
Non - cancellable lease expense	2.15	2.15
Total	23.99	71.33

46 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Profit for the year attributable to equity share holders	(676.50)	(718.86)
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 (₹)	(8.16)	(8.67)
Earnings per share of par value ₹2 – diluted (₹)	(7.92)	(8.42)

47 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31st March, 2022 and 31st March, 2021. 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 31st March, 2021 and 31st March, 2020.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

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:

Particulars	Increase/Decrease in Interest rate
31st March, 2022	
INR	+1%
INR	-1%
31st March, 2021	
INR	+1%
INR	-1%
31st March, 2020	
INR	+1%
INR	-1%

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹873.64 mn (31st March, 2021: ₹1,075.03 mn). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	As at 31 st March, 2022	As at 31 st March, 2021
Opening balance	23.21	33.53
Credit loss provided/ (reversed)	4.24	(10.32)
Closing balance	27.45	23.21

No single customer accounts for more than 10% of the revenue as of 31st March, 2022, 31st March, 2021 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

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:

Particulars	On demand
Year ended 31st March, 2022	
Borrowings	2,176
Trade payables	419
Year ended 31st March, 2021	
Borrowings	1,952
Trade payables	343

48 Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31st March, 2022, 31st March, 2021 was as follows:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Total equity attributable to the equity shareholders of the Group	3,643	4,316
As a percentage of total capital	50.37%	57.00%
Long term borrowings	610	578
Short term borrowings	2,979	2,678
Total borrowings	3,589	3,256
As a percentage of total capital	49.63%	43.00%
Total capital (equity and borrowings)	7,232	7,572

49 Subsequent Events

There are no significant events that occurred after the balance sheet date.

50 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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

As per our report of even date attached

for **P C N & Associates**

Chartered Accountants

ICAI Firm Registration Number: 016016S

Sd/-

K Gopala Krishna

Partner

Membership No.: 203605

UDIN: 22203605AKGFED5952

Place: Hyderabad

Date: 3rd June, 2022

for and on behalf of the Board of Directors of

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Sd/-

Santosh Varalwar

Managing Director

DIN: 00054763

Sd/-

Ramakanta Tripathy

Chief Financial Officer

Sd/-

Manohar Rao Varalwar

Whole-Time Director

DIN: 00059815

Sd/-

Yugandhar Kopparthi

Company Secretary

M. No: ACS19315



Vivimed

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of M/s.Vivimed Labs Limited will be held on Monday, 27th March, 2023 at 12:30 P.M. (IST) at the Registered Office, Plot No. 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka, India 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 31st March, 2022 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 31st March, 2022 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 31st March, 2022 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 31st March, 2022 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Sandeep Varalwar [DIN:01682951], who retires by rotation and, being eligible, seeks re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sandeep Varalwar [DIN:01682951], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **To ratify the remuneration payable to M/s. A.S. Rao & Co, Cost Accountants to audit the cost records for the financial year ending 31st March, 2023.**

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 31st March, 2023, be paid remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding GST and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.”

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

4. To reappoint Mr. Subhash Varalwar [DIN:00054789] as Non-Executive Non-Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr.Subhash Varalwar [DIN:00054789], be continued as a Non-Executive Non-Independent Director of the Company liable to retire by rotation, notwithstanding that he may attain the age of 75 years”

By order of the Board
for **Vivimed Labs Limited**

Sd/-
K. Yugandhar
Company Secretary

Place: Hyderabad
Date: 13th February, 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@arthiconsultants.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 Wednesday, of 22nd March, 2023 to Monday, of 27th March, 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 8th 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 to receive an email response. Members desiring any information relating to the



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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. Aarathi 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 34th 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 34th Annual General Meeting along with the Annual Report for the financial year 2021-22 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 2021-22 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 Tuesday of 21st March, 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 34th Annual General Meeting to be held on Monday, 27th day of March, 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 Tuesday of 21st March, 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. 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 Friday, 24th March, 2023 at 09.00 a.m. and ends on Sunday, 26th March, 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 Tuesday of 21st March, 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 34th AGM of the Company and shall be immediately communicated to BSE & NSE, where the shares of the Company are listed.

THE INSTRUCTIONS 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 Friday, 24th March, 2023 at 09.00 a.m. and ends on Sunday, 26th March, 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 Tuesday of 21st March, 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 9th 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.



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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 CDSL Depository	<ol style="list-style-type: none"> 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 cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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.

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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (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.



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- (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 and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; Yugandhar.Kopparthi@vivimedlabs.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 or contact at toll free no. 1800 22 55 33

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

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

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.3: The Board of Directors at its meeting held on 13th February, 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 31st March, 2023, at a remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding GST and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the members of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out at Item No. 3 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 31st March, 2023.

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. 3 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.3 of the Notice for approval by the members.

Item No. 4: Mr. Subhash Varalwar, 75 years, is Non-Executive non-Independent Director of the Company. and is liable to retire by rotation. Mr. Subhash Varalwar, Post Graduate in Chemical Engineering and a Management Graduate has more than 44 years of experience in Production, Quality control and R&D functions. He worked as a executive Director of the Company from 1989 onwards and reappointed as a Non Executive Director effective from April 2018 onwards.

Mr. Subhash Varalwar attained the age of 75 years on 5th February, 2023. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. Subhash Varalwar as a Non-Executive Director beyond 5th February, 2023, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise.

The Board recommends the resolution for the approval of the Members.

Except Mr. Subhash Varalwar, Mr. Santosh Varalwar, Mr. Manohar Rao Varalwar and Mr. Sandeep Varalwar, none of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested (financially or otherwise) in the resolution.

Place: Hyderabad

Date: 13th February, 2023

By order of the Board
for **Vivimed Labs Limited**

Sd/-

K. Yugandhar

Company Secretary



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ANNEXURE – A

FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To

Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad – 500029

Phone : 040 27638111/27634445, Fax : 040 27632184

Email : info@aarthiconsultants.com.

Company: Vivimed labs Limited

I agree to receive all documents / notices including the 34th 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
Director Identification Number	00054789	01682951
Date of Birth	05-02-1948	29-09-1968
Nationality	Indian	Indian
Date of Appointment	09-11-1989	23-01-2008
Qualifications	Post Graduate in Chemical Engineering and a Management Graduate from Leeds University, U.K.	Graduation in B.Pharmacy
Shareholding in the Company	16,16,200 Equity shares	18,75,647 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
Chairmanships/Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)	NIL	NIL
Chairmanships/Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/Investors Grievance Committee)	NIL	NIL



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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]

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

Registered office: Plot No.78-A, Kolhar Industrial Area, Bidar, Karnataka 585403

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 34th Annual general meeting of the company, to be held on the Monday, 27th March, 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
Ordinary Business:			
1 (a)	To receive, consider and adopt the Standalone Balance Sheet as at 31 st March, 2022, Statement of Profit and Loss for the Financial Year ended on 31 st March, 2022, Cash Flow Statement for the Financial Year ended 31 st March, 2022 and reports of Directors and Auditors thereon.		
(b)	To receive, consider and adopt the Consolidated Balance Sheet as at 31 st March, 2022, Statement of Profit and Loss for the Financial Year ended on 31 st March, 2022, Cash Flow Statement for the Financial Year ended 31 st March, 2021 and Report of Auditors thereon.		
2	To appoint Director in place of Mr. Sandeep Varalwar [DIN:01682951], who retires by rotation and being eligible offers for re appointment.		
Special Business:			
3	To ratify the remuneration payable to cost auditor		
4	To reappoint Mr.Subhash Varalwar [DIN:00054789] as Non-Executive Non- Independent Director of the Company		

Signed this _____ day of _____ 2023

Signature of shareholder _____

Signature of Proxy holder(s) _____

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.



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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

34th Annual General Meeting

DP ID _____

(To be presented at the entrance)

Folio No./Client ID _____

I/We hereby record my/our presence at the 34th ANNUAL GENERAL MEETING of the Company at Registered office: 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka on Monday, 27th March, 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.

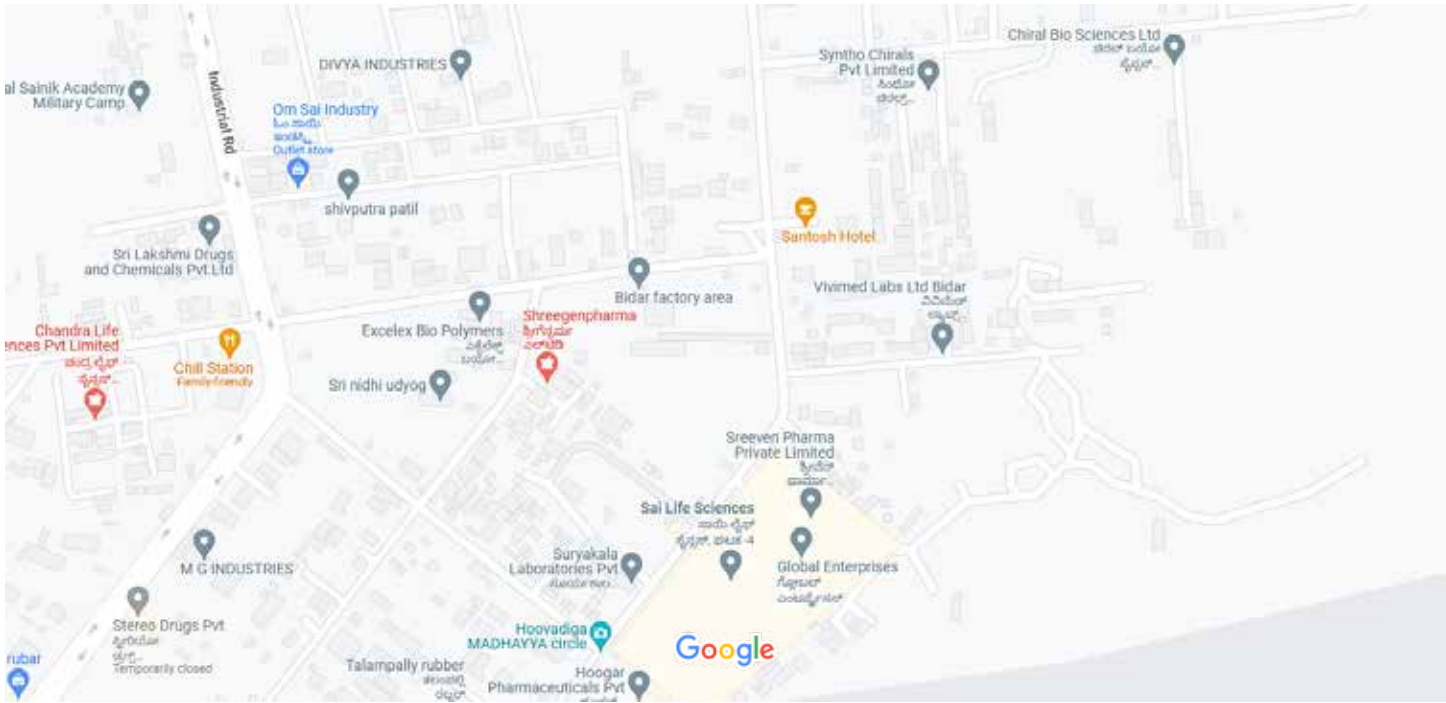
Signature of the Member/ Proxy



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Route Map to AGM Venue

Google Maps



Map data ©2022 100 m



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Vivimed labs limited

(Cin: I02411ka1988plc009465)

Plot No. 78-A, Kolhar Industrial Area Bidar,

Karnataka - 585403

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