

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

**Statement of Impact of Audit Qualifications for the Financial Year Ended March 31, 2025 (Regulation 33 / 52 of the SEBI (LODR) (Amendment), Regulations, 2016**

**(Rupees in Millions)**

	S. No.	Particulars	Audited Figures (as reported before adjustment)	Adjusted Figures
<b>I</b>	1.	Turnover/ Total Income	1,077.89	1,077.89
	2.	Total Expenditure	1,392.85	1,967.29
	3.	Net Profit / (Loss)	(314.96)	(889.40)
	4.	Earnings Per Share	(3.80)	(10.73)
	5.	Total Assets	6,389.52	6,389.52
	6.	Total Liabilities	5,804.61	6,379.05
	7.	Net Worth	584.91	10.47
	8.	Any Other Financial Items (as felt appropriate by the Management)	Nil	Nil

<b>II</b>	<b>Audit Qualification:</b>
1	<p>a. <b>Details of Audit Qualification:</b> As disclosed in Note 3 to the statement, the Company has not recognized interest expense of approximately Rs.574.44 million on an accrual basis, citing non-availability of bank confirmations as of March 31, 2025. This is not in compliance with Indian accounting standards, which require accrual-based accounting and recognition of borrowing costs when accrued. Consequently, the reported loss is understated by the said amount. The Company is also in ongoing discussions with its bankers for settlement, which have not yet concluded. Due to the uncertainty and lack of finalized terms, the impact of such settlement, if any, has not been accounted for and remains unquantified.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of Qualification : 2<sup>nd</sup> time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company is engaged in the negotiations with its Bankers for a settlement and is confident for settlement with Banks. Hence, the company has not recorded interest on outstanding loan for the year 2024-25.</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL</p>

2.	<p><b>a. <u>Details of Audit Qualification:</u></b> We were unable to obtain direct external confirmations in respect of the Company's current and non-current bank borrowings total amounting to Rs.3744.56 (as referred in note 16a, 16b). Consequently, we are unable to comment on the completeness, accuracy, and existence of these borrowings. As a result, we are unable to determine whether any adjustments may be necessary in respect of these balances.</p>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 <sup>st</sup> time
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company has defaulted in repayment of dues to banks and Financial Institution and all the loan accounts outstanding are classified as NPA by the banks. The balance confirmations from Lenders are not forthcoming. Further, the Company is engaged in the negotiations with its Bankers for a settlement and is confident for settlement with Banks.
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL

3	<p><b>a. <u>Details of Audit Qualification:</u></b> The Company has disclosed related party transactions in the statement, including items such as investments, receivables, payables, advances, purchases, and sales. Further, balances pertaining to creditors, debtors, other current assets and bank accounts are subject to external confirmation. While we note that the Company has initiated the process of obtaining these confirmations, the confirmations have not yet been received. In the absence of these confirmations, we are unable to comment on the accuracy, completeness, and validity of the reported balances and related party transactions.</p>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 2 <sup>nd</sup> Time
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company has the system of periodical reconciliation of balances with vendors, customer and related parties. The statutory auditors requested for balance confirmation letters from all. We have requested for the balance confirmation letters. On receipt of the same we will submit them to statutory auditors.
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL

4	<p><b>a. <u>Details of Audit Qualification:</u></b> The Company has not identified parties covered under the Micro, Small and Medium Enterprises Development Act, 2006. Consequently, disclosures required under Section 22 of the MSMED Act, 2006 and Section 134 of the Companies Act, 2013, including provision for interest on delayed payments, have not been made Due to the absence of relevant data and confirmations, the financial impact of non-provision of such interest is not ascertainable.</p>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 <sup>st</sup> Time
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The company has initiated the process of obtaining the confirmations and relevant documents regarding MSME certificates from Vendors. However, no such confirmations have been received so far.
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL

5.	<p><b>a. Details of Audit Qualification:</b> The Company's investments in subsidiaries and associates amounting to Rs.587.83million have not been assessed for impairment, despite the presence of indicators for impairment. However, in the absence of independent valuer reports or sufficient appropriate evidence, we are unable to derive the impact, if any, on these investments.</p>
	<p><b>b. Type of Audit Qualification : Qualified Opinion</b></p>
	<p><b>c. Frequency of Qualification : 1<sup>st</sup> Time</b></p>
	<p><b>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</b> The Company is anticipating certain business opportunity in coming years in its subsidiaries. The company has assessed based on projected business plans that impairment provision is not required at present.</p>
	<p><b>e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL</b></p>

*G. Siva Prasad*  
Jarugula Siva Prasad

Chairman of Audit  
Committee

Place: Hyderabad  
Date: 30.05.2025

*Manohar Rao Varalwar*  
Manohar Rao Varalwar  
Whole Time Director



*Phanindernath Petasonti*  
Phanindernath Petasonti  
Chief Financial Officer

*G Ramakrishna*  
G Ramakrishna  
Statutory Auditors  
M/s SVRL & Co,  
Chartered Accountants



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

**Statement of Impact of Audit Qualifications for the Financial Year Ended March 31, 2025 (Regulation 33 / 52 of the SEBI (LODR) (Amendment), Regulations, 2016)**

**(Rupees in Millions)**

	S. No.	Particulars	Audited Figures (as reported before adjustment)	Adjusted Figures
<b>I</b>	1.	Turnover/ Total Income	1,206.40	1,206.40
	2.	Total Expenditure	1,526.01	2,100.45
	3.	Net Profit / (Loss)	(319.61)	(894.05)
	4.	Earnings Per Share	(3.85)	(10.78)
	5.	Total Assets	9,208.34	9,208.34
	6.	Total Liabilities	9,560.03	10,134.47
	7.	Net Worth	(351.69)	(926.13)
	8.	Any Other Financial Items (as felt appropriate by the Management)	Nil	Nil

<b>II</b>	<b>Audit Qualification:</b>
1	<p><b>a. <u>Details of Audit Qualification:</u></b> As disclosed in Note 3 to the statement, the Company has not recognized interest expense of approximately Rs.574.44 million on an accrual basis, citing non-availability of bank confirmations as of March 31, 2025. This is not in compliance with Indian accounting standards, which require accrual-based accounting and recognition of borrowing costs when accrued. Consequently, the reported loss is understated by the said amount. The Company is also in ongoing discussions with its bankers for settlement, which have not yet concluded. Due to the uncertainty and lack of finalized terms, the impact of such settlement, if any, has not been accounted for and remains unquantified.</p> <p><b>b. Type of Audit Qualification : Qualified Opinion</b></p> <p><b>c. Frequency of Qualification : 2<sup>nd</sup> time</b></p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</b> The Company is engaged in the negotiations with its Bankers for a settlement and is confident for settlement with Banks. Hence, the company has not recorded interest on outstanding loan for the year 2024-25.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL</b></p>
2.	<p><b>a. <u>Details of Audit Qualification:</u></b> We were unable to obtain direct external confirmations in respect of the Company's current and non-current bank borrowings total amounting to Rs.3744.56 (as referred in note 16a, 16b). Consequently, we are unable to comment on the completeness, accuracy, and existence of these borrowings. As a</p>

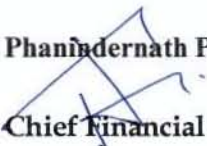
	result, we are unable to determine whether any adjustments may be necessary in respect of these balances.
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 <sup>st</sup> time
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company has defaulted in repayment of dues to banks and Financial Institution and all the loan accounts outstanding are classified as NPA by the banks. The balance confirmations from Lenders are not forthcoming. Further, the Company is engaged in the negotiations with its Bankers for a settlement and is confident for settlement with Banks.\
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL
3	a. <b>Details of Audit Qualification:</b> The Company has disclosed related party transactions in the statement, including items such as investments, receivables, payables, advances, purchases, and sales. Further, balances pertaining to creditors, debtors, other current assets and bank accounts are subject to external confirmation. While we note that the Company has initiated the process of obtaining these confirmations, the confirmations have not yet been received. In the absence of these confirmations, we are unable to comment on the accuracy, completeness, and validity of the reported balances and related party transactions.
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 2 <sup>nd</sup> Time
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company has the system of periodical reconciliation of balances with vendors, customer and related parties. The statutory auditors requested for balance confirmation letters from all. We have requested for the balance confirmation letters. On receipt of the same we will submit them to statutory auditors.
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL
4	a. <b>Details of Audit Qualification:</b> The Company has not identified parties covered under the Micro, Small and Medium Enterprises Development Act, 2006. Consequently, disclosures required under Section 22 of the MSMED Act, 2006 and Section 134 of the Companies Act, 2013, including provision for interest on delayed payments, have not been made Due to the absence of relevant data and confirmations, the financial impact of non-provision of such interest is not ascertainable.
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 <sup>st</sup> Time
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The company has initiated the process of obtaining the confirmations and relevant documents regarding MSME certificates from Vendors. However, no such confirmations have been received so far.
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL


  
Jarugula Siva Prasad

Chairman of Audit  
Committee

Place: Hyderabad  
Date: 30.05.2025

  
Manohar Rao Varalwar  
Whole Time Director

  
Phanindernath Petasonti  
Chief Financial Officer

  
G Ramakrishna  
Statutory Auditors  
M/s SVRL & Co,  
Chartered Accountants

