Vivimed

Date: 13th October, 2016

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

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

Dear Sir/Madam,

Sub: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Submission of Annual Report for the FY 2015-16

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith soft copy of the Annual Report of the Company for the financial year 2015-16 which was approved and adopted in the 28th Annual General Meeting of the Company held on 30th September, 2016.

Request you to take the above information on record.

Thanking you,

Yours faithfully,
For Vivimed Labs Limited

Yugandhar Kopparthi
Company Secretary

VIVIMED LABS LIMITED Vivimed HYDERABAD-1

Encl: As above

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Vivimed

less is more

Vivimed Labs Limited | Annual Report 2015-16

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

At Vivimed Labs Limited, we have transformed our fundamentals with speed, clarity and decisiveness.

We restructured our product mix, business verticals, manufacturing facilities and geographic footprint.

With the objective to moderate the size of our Balance Sheet.

And in doing so, increase our margins and profits.

The reinvented Vivimed Labs is driven by a singular mantra:

Less is more.

Less is more.

And how this mantra is reflected in everyday working at Vivimed Labs.

'Less is more' means manufacturing niche and high margin products. Objective: Balance Sheet rightsized with the Company's profitable growth ambition.

'Less is more' means moderating debt and the Company's gearing, while enhancing cash flows. Objective: Strengthening business sustainability.

'Less is more' means more products per customer and more customers per product. Objective: Carve out a large sustainable customer wallet share that enhances revenue visibility.

At Vivimed Labs the last two years have been a period of consolidation.

Our business was specialty chemicals driven until 2011. Now it is weighted in favour of healthcare.

We were a product-heavy organisation. We are now focused on value-added solutions.

We were focused on revenue growth. We are now focused on bottom line accretion.

We were debt-heavy at one point. We are considerably debt-light today.

A snapshot

Vivimed Labs Limited.

India-based chemistry specialist.

Touching the lives of millions.

In India and the world over.

Vivimed Labs is a Hyderabad-based company, with unique expertise in chemistry, enabling it to establish itself as a recognizable brand name in the pharmaceutical and specialty chemicals sectors. The Company's products positively impact lives of millions across the globe daily.

The Company's 11 manufacturing facilities and 5 R&D centres across three continents develop and deliver innovative solutions to a number of large and reputable global brands.

The knowledge from across these facilities has made it possible for the Company to develop and deliver innovative solutions.

The Company's equity shares are listed on the BSE Limited and National Stock Exchange.

36.8%
Promoters' stake (March 31, 2016)

2,300+
Team size (March 31, 2016)

Our values and principles

We focus on opportunities

At Vivimed we believe there are no second chances.

An opportunity presents itself only once and we usually make it ours.

We build on our capabilities

Capability building is key to our Company's performance and growth.

At both individual and organizational levels, there is a regular effort to build on our competencies.

We embrace change

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

We continue to innovate to adapt to changing industry trends and improve our products and solutions

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.

Other information

BSE Code:
532660

NSE Code:
VIVIMEDLAB

*Face value per share:
₹ 10.00

Market capitalisation:
₹ 6,736 mn

*Sub-Divided 1 (One) Equity Share of face value of Rs.10/- each into 5 (Five) Equity Shares of Rs.2/- each on 08.04.2016

Our key customers

APOTEX ADVANCING GENERICS	AstraZeneca	Boehringer Ingelheim	
Cipla	GILEAD	Johnson & Johnson	gsk GlaxoSmithKline
MERCK Research Laboratories	Mylan	L'ORÉAL	NOVARTIS
NORMON	Pfizer	P&G	SANDOZ
STADA	TEVA TEVA PHARMACEUTICALS	Unilever	Actavis

₹15,354 mn
Enterprise Value
(March 31, 2016)

₹13,564 mn
Revenues in FY2016

₹361.12
Book value per share

This is how we took **our business ahead in FY2016**

Divested product lines of our Specialty Chemicals business to Clariant India

The sale proceeds will be utilised to deleverage and invest in the intellectual property of our pharmaceutical business. Focus on a new range of products within specialty chemicals

Launched products in the healthcare and specialty chemicals

A widened product basket promises accelerated business growth

Entered a business alliance with a Japanese company for high-end photochromic specialities.

Strengthens our conviction of generating attractive growth from this product segment

Strong order book growth for our API business and custom manufacturing for innovators

Reflects an increased customer preference for our manufacturing platform in Europe and North America

Increased sales to the US market following the commercialisation of our ANDAs

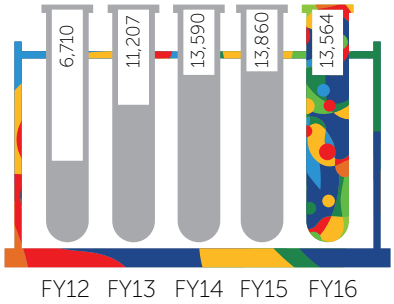
Strengthened our presence in the world's largest pharmaceutical market

Enhanced our management bandwidth with a number of senior appointments.

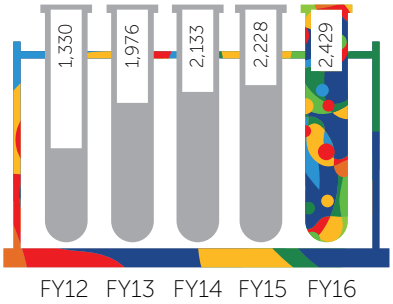
Strengthened our experience and expertise

This is how we have grown **over the year...**

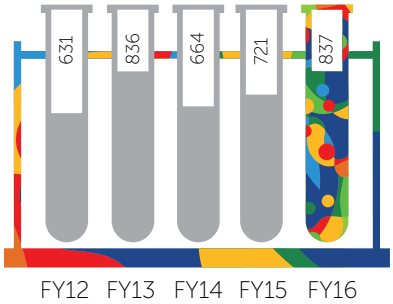
Revenue (₹ million)



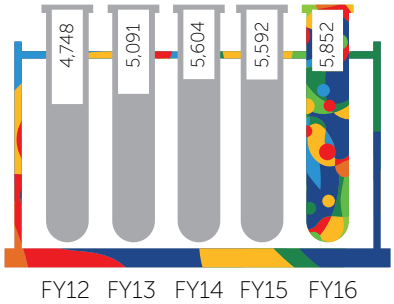
EBIDTA (₹ million)



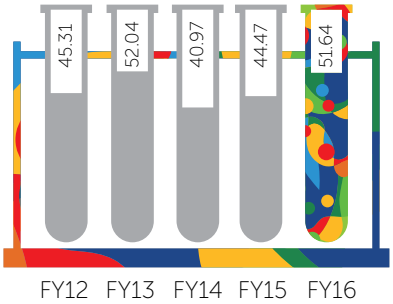
Profit for the year (₹ million)



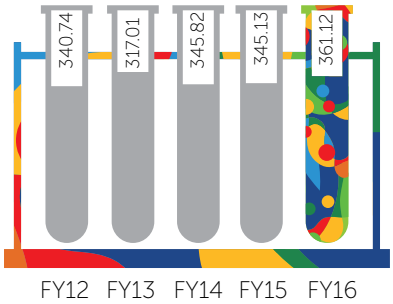
Shareholders' funds (₹ million)



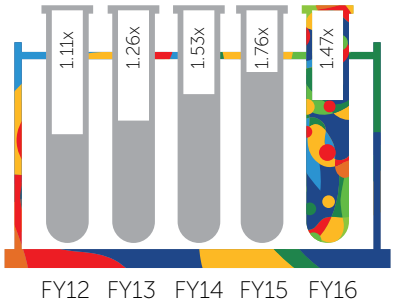
Earnings per share (Rs)



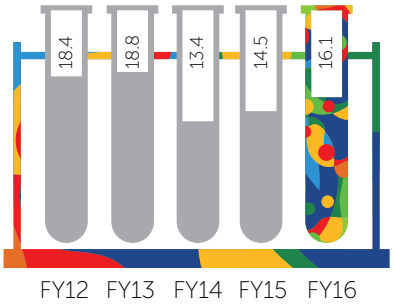
Book value per share (Rs)



Net debt-equity ratio (X)



ROE (%)



Q&A

"The business transfer has made Vivimed future-ready.

...we intend to capitalise on high growth, shareholder value-accretive opportunities."

Vivimed Labs manufactures ingredients for diverse downstream uses in the Home and Personal Care, Photochromic, Imaging Chemicals, Anti-Microbial and Pharmaceutical applications.

During the last financial year, Vivimed divested a part of its Specialty Chemical business (comprising Home and Personal Care segments) to Clariant India Limited for ₹3.80 billion.

The divestment comprised the product basket, pipeline, customers and assets. The management focuses on the impact of this divestment and how this could decisively transform the Company's operations and financials.

What was the strategic rationale for divesting a part of the specialty chemicals business?

A This transaction was strategic for us. Over the years, we built a strong manufacturing platform, product portfolio and brand equity for our Speciality Chemicals division. While we divested a part of our Specialty Chemicals portfolio, we still retain a significant portion of the business, which is well-placed to deliver financial returns on the back of our product offerings and value-based customer relationships. Going forward, we will focus on newer product areas with a presence across the complete lifecycle.

During the last two fiscal years (FY2014 and FY2015), Vivimed invested substantial capital in its healthcare business. In the API space, we expanded capacities at our Spain and Mexico facilities. We expanded our business beyond generic pharmaceuticals to the CMO business with innovator companies. We are engaged in various projects with global pharmaceutical majors. Besides, in the formulations segment, we acquired a US FDA formulation facility in August 2013, increased capacity and started ANDA filings as a result of which we now have five product approvals, two of which have been already been commercialised.

On the one side, this transaction provides us increased financial flexibility to pursue profitable growth across both its business segments with a focus on growing Pharmaceutical API, CMO and Finished Dosage formulations businesses in regulated markets. On the other side, our focus, after divesting a part of the Personal Care business, will be more towards niche specialty chemicals that continue to drive our growth and profitability in the segment.

Q: What remains of the Company's specialty business?

A: Following the business transfer, the retained specialty chemicals business will have the following product lines: Photochromics, Imaging Chemicals, Anti-Microbials for Industrial Application and Hair Colour. These business segments possess the potential to deliver ₹200 crore in annual revenues.

Q: What are the key financial metrics of the divested business?

A: The divested product lines had a revenue of about ₹1,450 million with an EBIDTA margin of about 20%. At the moment, we will not lose the entire amount in FY2016. We entered into a manufacture and supply arrangement with Clariant India for certain products for the initial period. Our existing product verticals will continue to enjoy an EBIDTA margin of about 20%.

Q: How will the Company's margins behave on the overall?

A: We expect corporate margins to improve for two reasons:

Specialty chemicals: While our existing product verticals will continue to report an average EBIDTA margin along historical lines, the launch of certain niche products during the current year promise superior returns.

Healthcare: We commenced supplies of approved ANDAs. We began the supply of Losartan and Donepezil in the FY2016 with volumes picking up in the current year. Metronidazole is a recent approval that we initiated supplies of in the second half of FY2016. We received the approval for Amlodipine for which the volume ramp-up will happen in FY2017. We entered into conversion arrangements in FY2016. These factors could lead to an improved product mix towards high-margin formulations. In the API division, we continued to gain market share due to our competitive positioning. Ramp-up of our CMO business also contributed to this growth. We have a strong pipeline of new projects from existing as well as new customers. The profitable journey has begun: In FY2016, while our topline declined by about 2%, our EBIDTA and net profit accelerated faster – 9% and 16%, respectively – and our EBIDTA margin improved 180 bps over the previous year.

Q: Why did the Company enter into manufacture and supply arrangements?

A: We have two facilities manufacturing specialty chemicals - in Hyderabad and Bidar. Under this deal, we will transfer our Hyderabad facility to the acquirer. We commenced the technology transfer of products between the two units – the ones sold were shifted to the Hyderabad unit, the ones retained were moved to Bidar. Even as these transfers took place, we continued to manufacture and supply products to Clariant India as per our business commitment.

We have a significantly large facility in Karnataka (following investments, line balancing and technology upgradation) we are optimistic of meeting our captive and outsourcing requirements. We do not expect to incur capital expenditure in this facility for 12-18 months.

Q: Vivimed will supply products to Clariant. How much was that as a proportion of specialty chemical revenues in FY2016?

A: We supplied certain products and revenue from this supply agreement was estimated at about 11% of our FY2016 specialty chemical revenues. Interestingly, we are in active discussions with Clariant India for supplying two more products and if this discussion proves fruitful, it could provide additional revenues of around ₹400-500 million.

Q: How will the proceeds help deleverage the Company's Balance Sheet?

At the end of FY2015, we had a debt of around ₹10 billion. Of this, about ₹6 billion comprised long-term debt. We intend to repay about ₹2.25 billion and the balance over three years. With the kind of EBITDA that we are generating (₹2,429 million in FY2016), we are confident of repaying the entire debt on schedule. The working capital is backed by Current Assets with a comfortable working capital cycle.

Q: How will this deleveraging prove EPS-accretive?

In our loan portfolio, we have dollar and INR-denominated borrowings. Our objective is to minimise the INR component. This could bring about annualised interest savings of about ₹250 million in the current year. Moreover, our blended debt cost is likely to decline about 100-150 bps from 8-9%.

Q: You received the first tranche of the sale proceeds...

A: We received ₹2.58 billion as the first milestone payment towards the business transfer. Of this, about ₹1.46 billion went towards debt reduction. The balance was utilised towards tax payments and a nominal amount for capex. The second tranche is expected in the second quarter of the current year.

Q: From the business transfer funds, would you be utilizing any funds for capex?

A: We completed the required capital expenditure post acquisition of the facilities – across Mexico, Spain and Chennai. We increased the capacity of solid dosage forms at our Alathur facility (Chennai) from 1.2 bn to 2.2 bn, given the visibility on the business pipeline. The capex requirement in both business verticals was minimal. We will utilise these funds for creating IP wealth – filing DMFs and ANDAs and other documents in regulated markets.

Q: Does the Company have a regulatory filings target

A: We hope to achieve 6-8 new DMF filings annually for products going off-patent during 2019-22 and about six ANDAs. Our focus will be to file ANDAs that are integrated with our DMF filings. Hence, when we intend to commercialise a product, the manufacture will be based on the foundation of captively manufactured APIs, strengthening our profitability.

Q: What are the growth drivers in your specialty chemicals?

A: Going forward, we will focus on niche products in existing verticals. Our focus will be on the Photochromics and Imaging Chemicals space, a high value, high-end segment where the Company enjoys a global position. We wish to penetrate deeper into the regulated Europe, America and Japanese markets.

In FY2016, we reported favourable demand for photochromic products owing to the new product pipeline developed by our team. Besides, we entered into an understanding with a Japanese company, for supplying niche photochromic products, which should yield results during the current year.

The Hair care segment is expected to make a sizeable contribution to growth. We commenced manufacturing a high-value active ingredient used in hair care for an MNC towards the close of FY2015. The volumes are expected to increase over the coming years. We recently launched a new product for existing consumer products clients. We have an exciting a pipeline of new hair colours, which we expect to commercialise over the medium-term.

Going ahead, the specialty chemicals could comprise certain pharma intermediates for new customers, starting a new revenue vertical.

Q: What is the message you would like to leave with shareholders?

A: Our business transfer initiative will have a sizeable positive outcome on our profitability and ability to capitalise on growth opportunities. There are a number of short and medium-term drivers, comprising new products, new verticals and new geographies, which will not only plug the revenue loss arising out of the divestment but also enhance profitability leading to enhanced shareholder value. The big message: Vivimed is future-ready!

Vivimed.
Before and after

The divestment of a part of our speciality chemicals business

FY2015 (before)	FY2016 (after)
2.0% Revenue growth	**(2.1)%** Revenue growth

FY2015 (before)	FY2016 (after)
32.3% Proportion of revenue from specialty chemicals	**27.6%** Proportion of revenue from specialty chemicals

FY2015 (before)	FY2016 (after)
4.4% EBIDTA growth	**9.0%** EBIDTA growth

FY2015 (before)	FY2016 (after)
16.1% EBIDTA margin	**17.9%** EBIDTA margin

FY2015 (before)	FY2016 (after)
1.76x Debt-equity ratio (Net Debt - Equity)	**1.47x** Debt-equity ratio (Net Debt - Equity)

FY2015 (before)	FY2016 (after)
1.98x Interest cover	**2.23x** Interest cover

Management discussion and analysis

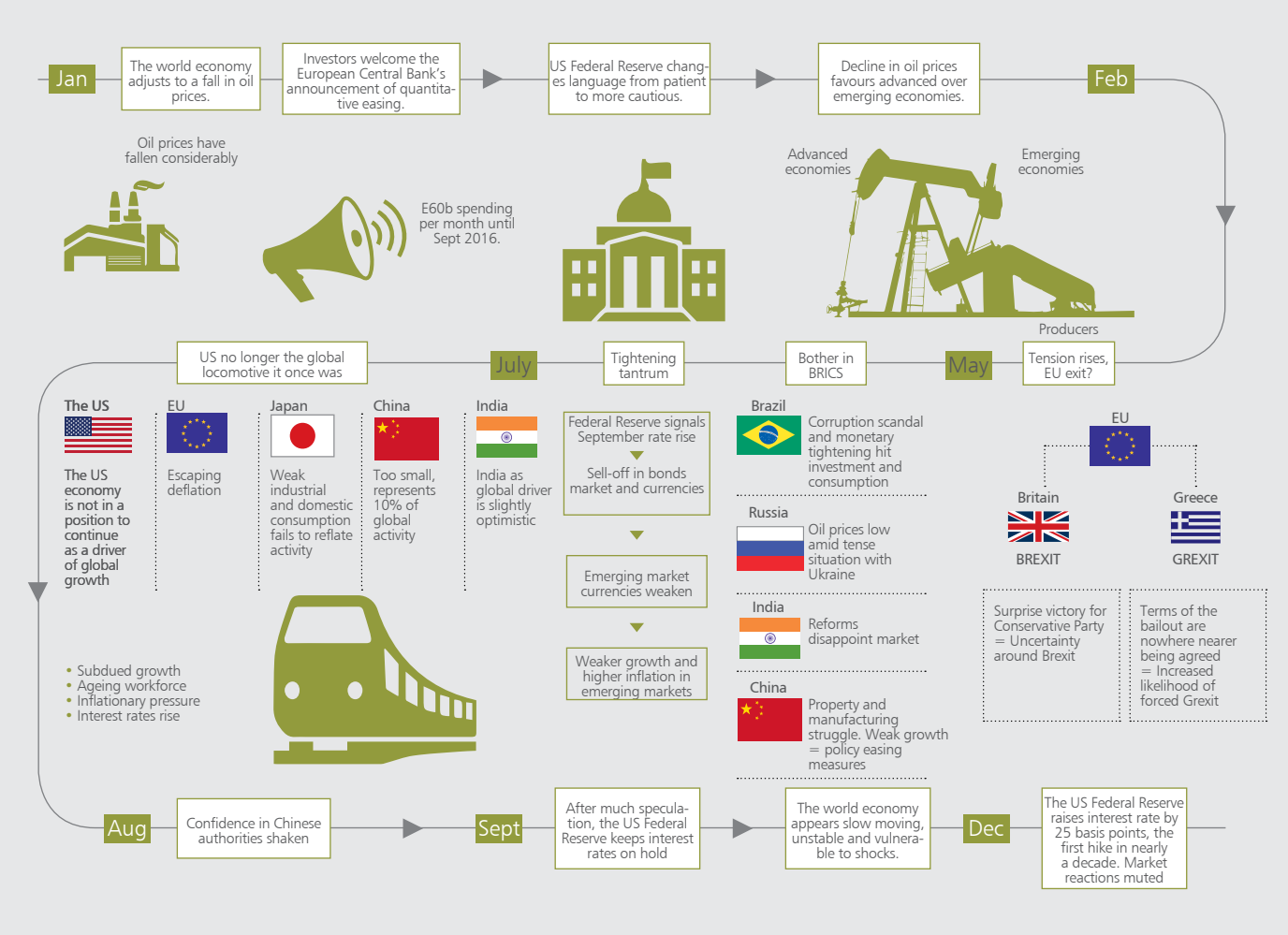
Economic overview

Global economy: In 2015, global economic activity remained subdued as the global GDP grew at a modest 3.1% against 3.4% in 2014. Growth in emerging markets and developing economies declined for the fifth consecutive year even as modest recovery continued to transpire in advanced economies.

Four key transitions continue to influence the global outlook: the gradual slowdown and rebalancing of economic activity in China – away from investment and manufacturing and towards consumption and services, lower prices of energy and other commodities, a gradual tightening of monetary policy in the US leading to a resilient recovery and the continued easing of monetary policies across several major economies. Growth in China is transpiring more or less as envisaged, but a faster-than-expected slowdown in the realm of imports and exports, reflects weakening investments and a lack of manufacturing activities.

These developments coupled with market concerns about the future performance of the Chinese economy are spilling over to other economies through trade channels – weakening commodity prices, diminishing confidence and increasing volatilities in financial markets.

Global GDP growth is projected at 3.4% for 2016 and 3.6% for 2017. Growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1% and hold steady in 2017. Growth in emerging markets and developing economies is projected to increase from 4% in 2015 – the lowest since the financial crisis of 2008–09 – to 4.3% and 4.7% in 2016 and 2017, respectively. (Source: IMF)



Domestic economy: India's economy expanded at a faster pace in FY2016 despite a slowdown in GDP expansion in the third quarter of the fiscal under review. India's GDP growth stood at 7.6% in FY2016 against 7.2% in FY2015 catalysed by a superior performance from the manufacturing sector (9.5% growth in FY2016 against 5.5% in FY2015).

The growth in the manufacturing sector was majorly driven by a significant fall in input costs following the collapse of global commodity prices. India's economic recovery was also facilitated by other factors such as a large gain in terms of trade (about 2.5% of the GDP); implementation of positive policies by the Central Government and reduction in external vulnerabilities. The RBI policies helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation. According to the Economic Survey 2015-16, inflation measured by the Consumer Price Index, which averaged 6.5% in FY2015, declined to 4.83% as of 31st March 2016.

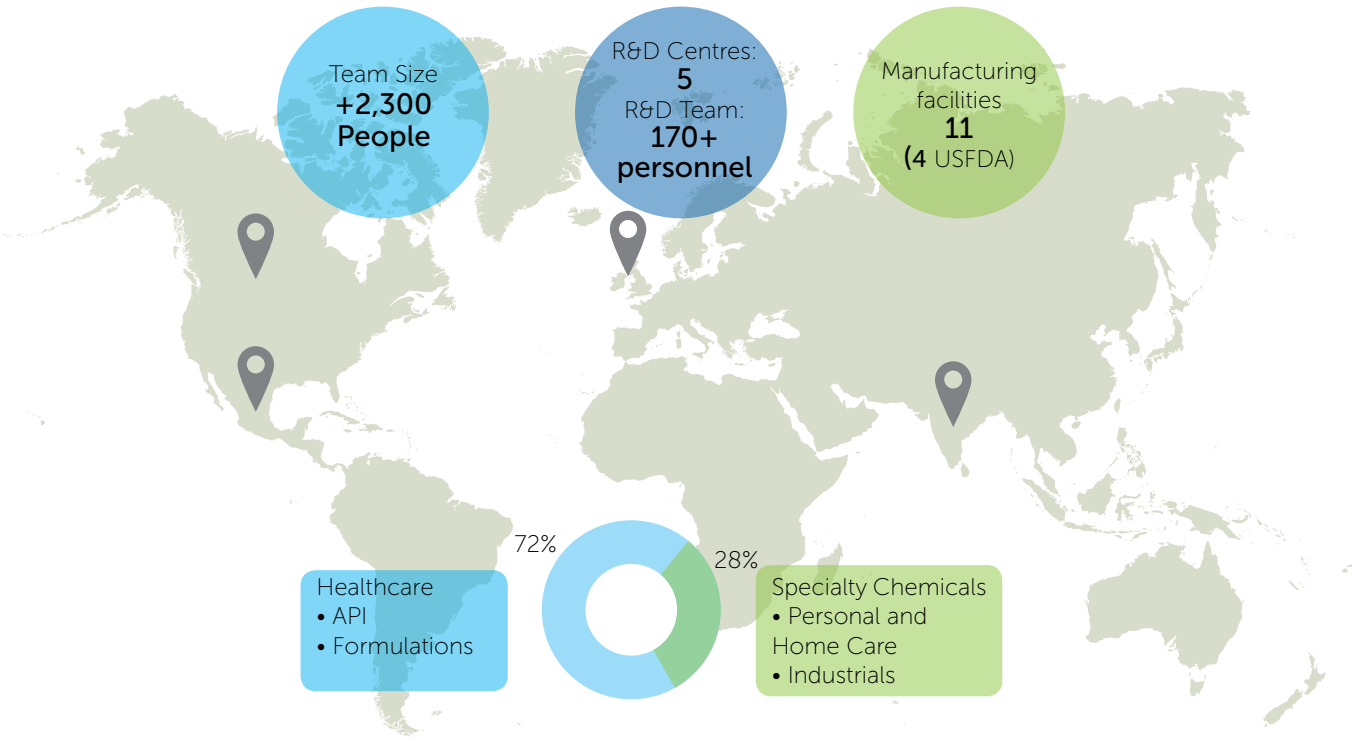
The slide in global oil prices since late 2014, boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions. According to the IMF, India continues to be the bright spot in an otherwise slowing global economy. Given the macroeconomic scenario and assuming normal monsoons in FY2016, it would not be unreasonable to believe that the Indian economy is set to register growth in excess of 7% for the third year in succession. Against an unsupportive global economic landscape and weak back-to-back monsoons, a 7.6% GDP growth in FY2016 (as estimated by the Central Statistics Organisation) appears to be encouraging.

Last and best

The Indian economy expanded by 7.9% year-on-year in the first three months of 2016, higher than the 7.2% growth registered in the corresponding quarter of the previous fiscal. This outperformance over the course of six quarters was the result of a rebound in the farming sector which grew by 2.3% and a stellar show from the manufacturing sector which saw output growing by 9.3%.

Business overview

Vivimed has established a strong presence in two sectors – healthcare and specialty chemicals – by leveraging its proven expertise in the realm of chemistry. The Company's manufacturing operations are housed across 11 plants (eight domestic and three overseas) across three continents. The healthcare vertical is engaged in the custom manufacturing engagements for APIs and formulations for leading generics-manufacturing companies. The specialty chemicals segment produces active ingredients for a range of home, personal care and industrial products. The Company has five R&D centres across three continents, two of which are GLP-approved. The R&D team comprising 170+ qualified personnel spearheads the Company's efforts towards creating a pipeline of niche, high-value products for its healthcare and specialty businesses.



Business segment 1

Healthcare (API and finished formulations)

Overview

Vivimed's healthcare segment is its flagship business and contributed ~72% of its total consolidated revenues during FY2016. The Company manufactures APIs and formulations covering diverse therapeutic segments and has a visible marketing presence across regulated and pharmerging markets.

Custom manufacturing is the mainstay of Vivimed's healthcare business. Vivimed partners leading global pharmaceutical companies for custom manufacturing assignments for APIs and generic formulations. In addition, the Company markets formulations (for several therapeutic segments under its own brand name) in India and generics in regulated markets.

FY11

- Acquired Uquifa to enter into the API space Added new customers
- Diversified product portfolio

Received USFDA-approval for three of its manufacturing facilities

- Acquired KlarSehen and Octantis Nobel to establish itself in the domestic FDF space as a branded manufacturer

FY12

- Strengthened the API business with backward integration and procurement synergies

FY13

- Commissioned the Bidar block for manufacturing pharma intermediates
- Upgraded Jeedimetla facility to PIC/S standards
- Established R&D facilities for APIs (manned by 65 scientists) and formulations (manned by 45 scientists)
- Received an approval from Health Canada for its formulations R&D centre

FY14

- Acquired APMPL, a USFDA-approved FDF facility, which opened the doors for generics in regulated markets
- Accessed regulated CIS market for formulations by banking on the PIC/S GMP approval
- Put the necessary building blocks in place to take the healthcare segment ahead

FY15

- Underwent successful audits at all four of its USFDA-approved facilities

Focused on filing ANDAs

FY16

- Sold off Klar Sehen and exited the branded ophthalmic products vertical
- Focused on CMO and the US generics business
- Scaled capacity from 1.2 billion to 2.0 billion SODs at the Alathur facility

Staying ahead of the curve

Experience: Vivimed enjoys a near three-decade experience in the complex pharmaceuticals space.

Vertical integration: Vivimed's vertically-integrated operations have enhanced cost-competitiveness.

Approvals: Vivimed's facilities (including its USFDA-certified units) and processes are benchmarked with stringent global standards, ensuring consistently high product quality.

R&D: Vivimed combines its knowledge of chemistry with superior research capabilities to create a wide basket of products across diverse therapeutic segments.

Relationships: Vivimed enjoys strong

"We have experienced a strong order book growth for our API and custom manufacturing businesses on the back of an increasing preference for drugs manufactured from platforms based out of Europe and North America. The climate turned favourable for us as a number of companies who sell their generic formulations started sourcing their APIs from European and North American platforms. Thanks to our API manufacturing facilities in Spain and Mexico we saw our existing product pipeline gain traction."

Santosh Varalwar
Chief Executive Officer

relationships (custom manufacturing services) with global pharmaceutical majors, ensuring long-term revenue visibility.

Revenue verticals

APIs

This is the flagship vertical of the healthcare business, contributing about 75% of total revenues. The Company manufactures APIs across more than 15 therapeutic segments from three facilities. Anti-ulcer medications form the key therapeutic segment. Other important therapeutic areas comprise anthelmintics, anti-depressants, anti-infectives, anti-HIV medications and certain quaternary APIs. The Company has progressively established relationships with 100+ customers across 70 countries.
Its R&D team has filed 47 Type-II DMFs with the USFDA and more than 150 active DMFs worldwide.
The Company undertakes custom manufacturing projects for prominent global and domestic pharmaceutical companies, ensuring medium-term revenue visibility and high capacity utilisation.

FY2016, in retrospect

- Increased revenues as sales volumes to existing customers experienced robust growth
- Reinforced ties with leading global customers in generic and CMO verticals
- Filed four DMFs during the year under review
- Strengthened operational discipline to enhance productivity and ensure adherence to regulatory standards

Outlook

- Exploit niche therapeutic areas – anti-ulcer, anti-HIV, ophthalmological and dermatological medications
- Build CMO business in collaboration with innovator companies
- Strengthen product portfolio by increasing the number of filings
- Enhance production of APIs for captive consumption

Formulations

The Company manufactures a wide range of dosage forms, which find acceptance in regulated and pharmerging markets. Within the formulations space, the Company addresses four verticals – regulated markets, pharmerging markets, Indian markets and custom manufacturing assignments.

Custom manufacturing: The Company enjoys strong relationships with leading pharmaceutical majors, namely Novartis, Glenmark, Cipla and Lupin, with most of these relationships extending for more than five years.

Delivery platform	Products
Capsules/tablets	7
Syrups and liquids	7
Sterile ophthalmic and nasal products	6

FY2016, in retrospect

- Completed capacity expansion exercise at Alathur facility (from 1.2 billion to 2.0 billion SODs)
- Focused on institutional business

Branded formulations: This is an India-centric vertical where the Company markets branded nutraceuticals and dermatological products largely to medical institutions. The segment caters to the needs of women and children via enzymatic preparations, beta lactams, antioxidants and multi-vitamins.

FY2016, in retrospect

In July 2016, Vivimed transferred and sold its entire product portfolio along with their associated trademarks under the aegis of its wholly-owned subsidiary Klar Sehen Private Limited to Ordain Healthcare Global Private Limited, which is a subsidiary of Spain-based Chemo Espana S.A.

The total consideration for the identified product line was ₹730 million. This transaction was in line with the management's strategic decision to exit the branded ophthalmic products segment and continue focus on CMO and US-based generic products.

Regulated markets: Vivimed sells four products in the US, namely Losartan, Donepezil, Amlodipine and Metronidazole). The Company also entered into contracts for third party supply (on the conversion basis), which started yielding results during the fiscal gone by.

Pharmerging markets: The Company received the PIC/S approval for its Jeedimetla facility. This paved the way for marketing products in the CIS nations. The Company received a sizeable order in the first quarter of FY2017, which is expected to be repeated during the fiscal. Moreover, the Company is also hopeful of commercialising four new products from Russia in FY2017.

Sectoral optimism

Global pharmaceutical sector

The unprecedented expansion in global healthcare access over the past ten years has seen hundreds of millions of people in low and middle-income groups benefiting as a result of governmental programmes and rising incomes. This has resulted in a reduction in the number of uninsured people in the United States and is expected to significantly increase global medicine consumption.

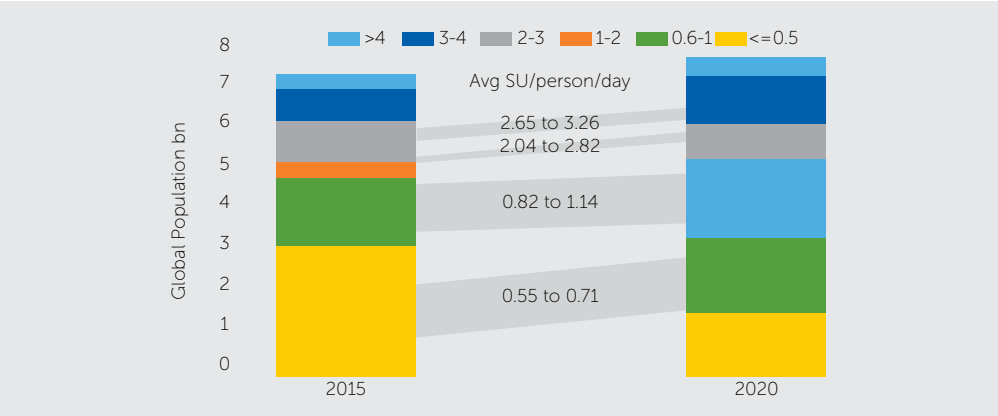
Medicine consumption in 2020: The volume of medicines consumed globally is expected to reach 4.5 trillion doses by 2020 (up by 24% from 2015). The largest pharmaceutical-consuming countries will be the emerging markets (pharmerging), accounting for a two-thirds share. Consumption of generic medicines will see a dramatic increase due to a broad-basing of healthcare systems. Developed markets will continue to account for the majority of medicine spending due to higher prices per unit. As the world's population tops 7.6 billion in 2020, per capita usage of medicine will reach about 1.6 standard units per person per day. Most developed countries have usage above 2 standard units per person per day. Much of the increased usage in 2020 will be driven by China, India, Brazil and Indonesia all of which will see substantial increases in average medicine consumption volumes.

Medicine spending in 2020: Global spending on medicines will reach US$1.4 trillion by 2020, an increase of 29-32% from 2015 compared to an increase of 35% in the prior five years. Spending will be concentrated in developed markets, with more than half of the established brands focusing on non-communicable diseases.

A rising proportion of medicines is specialty medicines. In 2020, 28% of global spending will be accounted by specialty medicines, up from 26% in 2015. Spending on specialty medicines in developed markets will account for a 36% share of the spending in 2020, compared to only 12% in pharmerging markets.

Over 50% of the global population will consume more than a dose per person per day of medicines, up from one-thirds of a dose in 2005, driven by countries with large populations such as India, China, Brazil and Indonesia.

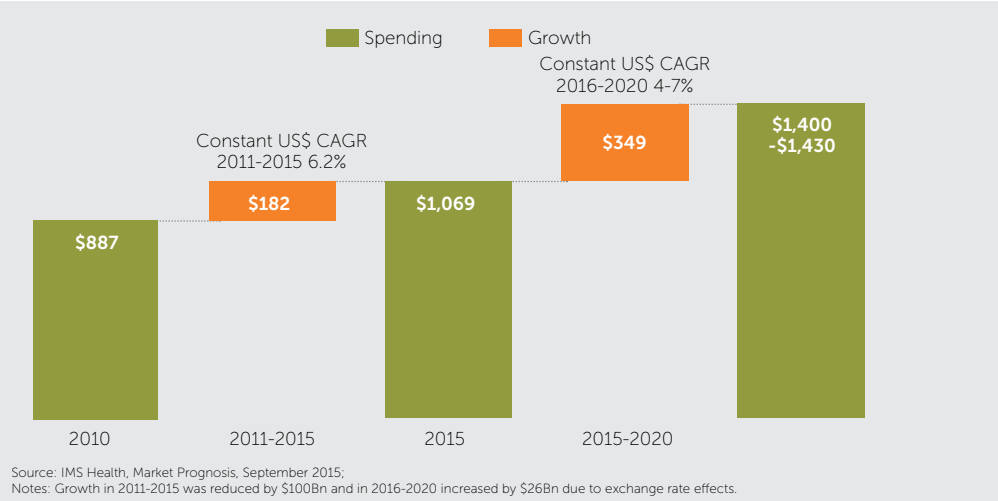
Country population by National Average Standard Units per person per day



Source: IMS Health, Market Prognosis, September 2015; IMS Institute for Healthcare Informatics, October 2015
Notes: Population estimates by country were assigned to bands of standard units per capita per day. The measure of usage per person per day is based on total volumes in acountry and population and does notreflect uniformit of usage within a country or actual observed patient usage.

These four countries with a combined population of 3.23 billion in 2020 - up from 3.11 billion in 2015 will account for nearly half of the increased volume in medicine usage globally during 2015-2020.

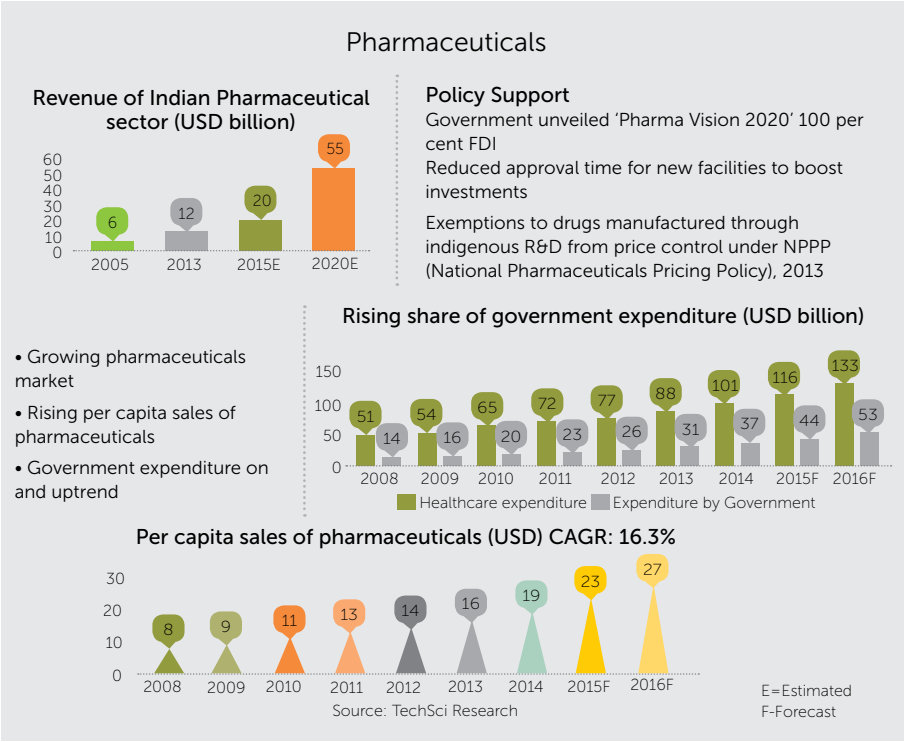
Country population by National Average Standard Units per person per day



The key drivers of the US$349 billion in growth over the next five years will be due to access expansion in pharmerging countries, greater use of more expensive branded medicines in developed markets, and higher use of cheaper alternatives when loss of exclusivity occurs.

Indian pharmaceutical industry

The Indian pharmaceutical market witnessed healthy double-digit growth over 2000-15 driven by improving affordability, better health awareness, higher penetration of healthcare facilities and worsening lifestyles. The Indian pharmaceutical market is fragmented in nature with the top-10 players accounting for a ~40% share of the market and top 25 companies accounting for a ~70% share of the market. The Indian pharmaceutical market comprises over 5,000 pharma companies, 22,000 stockists/distributors and over 600,000 retailers. The Indian pharmaceutical market is largely a branded generic market, wherein drugs are sold by brand names. Acute therapy drugs account for a ~70% share of this segment. Acute drugs are those medications, which are prescribed by doctors for only three to six weeks. Large global markets are more chronic in nature with ~60% contribution. The Indian pharmaceutical market has, over the years, largely been driven by a growth in volumes (60%+contribution) whereas new launches have contributed the balance (~30%). The price-sensitive and highly-competitive nature of the Indian pharmaceutical market has restricted instances of price increase.



Growth drivers

Low per capita spend: India's pharma expenditure is one of the lowest among the top-15 pharma markets. The per capita spend has been pegged at around US$60-64 per annum (between 2010 and 2014) as per World Bank. As per capita incomes continue to grow, the per capita pharma spend is also set to increase.

Changing ailment profiles: Though the Indian pharmaceutical market is currently skewed towards the acute segment, the shift towards chronic has been swift. The chronic segment is expected to register more than 16% growth compared to single-digit growth in the acute segment over the coming years.

Increasing insurance coverage: In India, the spending of drugs is largely out-of-pocket, accounting for around 90% of payments. In the Planning Commission's Twelve Five Year Plan draft, the vision laid out for India's healthcare sector is one that is revolving around universal health coverage. This would be achieved primarily through extensive insurance coverage, rising from 10% currently to 90%, partly through government hospitals or government payments.

Higher penetration: Around two-thirds of India's population lives in rural areas but contributes <20% to pharmaceutical sales. Moreover, the split between hospitals and doctors between rural and urban areas is skewed in favour of the latter. With the Central Government's intention to offer universal health coverage, there is an immense opportunity for the segment to expand. As per Pharmexcil, domestic as well as exports are expected to grow at a CAGR of over 16% during 2013-20.

Business segment 2

Specialty chemicals

Highlights, 2016

- Sold a part of its business comprising home and personal care products to Clariant India for ₹38 billion
- Launched a new product called MBB (in the hair care category) specifically for existing consumer products clients.
- Witnessed healthy traction for photochromic products from existing customers
- Reached an understanding with a Japanese client for supplying key photochromic products
- Strengthened the product pipeline – to be commercialised over the medium-term

Overview

Specialty chemicals are a niche, high-value business of manufacturing active ingredients that are used in home care, personal care and industrial products. Specialty chemicals are customised to stringent global and customer-specific standards marked by time-consuming customer enlistment, reducing instances of vendor switching, thus guaranteeing long-term revenue visibility. Vivimed is an experienced player, developing active customised ingredients for global clients. More than 30% of the division's topline was derived from the top-10 global brands. The Company's products (sun and skin care, personal care, naturals, industrial chemicals among others) are manufactured at its Bidar facility.

The Company's manufacturing facilities, R&D lab, systems and processes are aligned with globally-best practices certified by globally reputed agencies. These Comprise:

- IMS and SA 8000: 2008 certification
- ISO 9001:2008 QMS certification for the manufacturing facilities
- ISO 14001:2004 certification for environmental management system

Vivimed has developed and patented processes for 20 specialty chemicals.

"As a part of the Clariant deal, Vivimed only sold a portion of the personal and home care products portfolio while retaining the hair dyes portfolio in its entirety. The hair dye segment caters to customers such as Henkel, L'Oreal, P&G, Wella and many other domestic as well as Tier-II customers. We have a healthy pipeline of new hair colours which we will be marketing to our existing clientele during the years that lie ahead."

Santosh Varalwar
Chief Executive Officer

- ISO 18001: 2007 certification for safety management system
- Certification for bio-terrorism preparedness from the USFDA (a prerequisite for exporting to certain countries)
- Pre-registered its products for REACH (Registration, Evaluation and Authorisation of Chemicals) in Europe
- The Company's R&D department has been certified as a GLP-approved laboratory by CISR, a Government of India undertaking

Staying ahead of the curve

Innovation: Vivimed's R&D expertise across molecular research and collaborative development has allowed it to develop new products for global brands consistently. The Company invests about 4-5% of its revenues in R&D initiatives, annually.

Product basket: Vivimed's product basket addresses diverse applications and de-risks the business from an excessive dependence on any particular segment.

Global customers: Vivimed enjoys longstanding relationships with prominent consumer product brands namely Procter & Gamble, ITC, Unilever, L'Oreal, Johnson & Johnson, among others.

Preferred partner: Vivimed has been recognised as a 'strategic partner' by Procter & Gamble, Unilever and L'Oreal. This has provided it access to innovation platforms and helped attract Tier-II customers.

Managing business uncertainties

Risk management at Vivimed is an integral part of the business model. The Company focuses on mitigating the adverse impact of risks on the business. Subsequently, a robust process has been put in place to identify key risks across the Group and undertake decisive actions in orderto mitigate them. The Company leverages its 25-year rich experience to allay shareholder apprehension about its growth prospects. At Vivimed, managing risks goes hand-in-hand with maximising returns. The Company's integrated risk management approach, comprising centrally-issued policies, divisionally-evolved procedures and periodic reviews undertaken by the senior management, ensure that business risks are effectively addressed.

Business growth risk

Inability to sustain business growth could result in a decline in profitability.

1

Mitigation

The Company has a clearly defined growth strategy for both business segments.

Healthcare: Growth in the healthcare business will be driven by the Company's existing European presence and growing footprint in the US. Furthermore, the Company is working on growing its product pipeline for these markets and expects to commercialise them in the coming years.

Specialty chemicals: For the specialty chemicals business, the Company has strategically decided on marginalising growth in favour of profitability. In keeping with this strategy, the Company divested part of its personal and home care segments. This will allow Vivimed to lay a keener emphasis on the niche chemicals segment and cater to hair dye, photochromic dye and pharma intermediate manufacturers. These business strategies are expected to sustain business growth over the medium-term.

Competition risk

Growing competition could impact business profitability over the medium-term.

2

Mitigation

The Company's business model is based on nurturing relations with its key customers as opposed to merely carrying out transactions.

Healthcare: This being a competitive business space, the Company has signed long-term contracts with global pharmaceutical companies for manufacturing APIs, custom manufacturing and formulations.

Specialty chemicals: This being a relationship-based business space, the Company enjoys long-term contracts with leading global corporates thereby ensuring significant revenue visibility. These factors minimise the impact of competitive forces on the Company's growth and profitability.

Capacity risk

Inadequate manufacturing capacities could impact the Company's ability to service customers

3

Mitigation

Vivimed has proactively taken capability-building in order to effectively address future demand.

Healthcare: The Company has increased the operating capacity at its Alathur facility. Besides, it created additional capacity at its Jeedimetla facility and implemented capacity balancing initiatives at its other facilities for increasing plant productivities and outputs.

Specialty chemicals: The Company made investments in increasing the capacity at its Bidar facility. Besides, by divesting a part of its business it has released a significant portion of its capacity to cater to the growing demand for its existing products. These investments, made in the last 24 months, should ensure that Vivimed is able to cater emerging product demand over the next two or three years.

Quality risk

Inconsistent quality issues could lead to client attrition impacting business growth

4

Mitigation

Vivimed's customer retention philosophy is based on two important pillars – quality and innovation. The Company's ability to ensure qualitative consistency is vindicated by the global certifications bestowed upon its plants, systems and processes.

Healthcare: The Company's four manufacturing facilities are USFDA-certified. This enables it to provide superior products to its clients across batches. Moreover, custome manufacturing operations with large global and domestic pharmaceutical companies (APIs and formulations) warrants the undertaking of frequent audits of its facilities, systems and processes.

Specialty chemicals: The Company's ability to meet stringent quality specifications of its clients is reflected in an important reality – several of its key customers have been associated with the Company for more than five years. Moreover, business volumes with most of these customers have increased progressively over the years.

Funding risk

An inability to garner adequate funds may adversely impact the Company's prospects

5

Mitigation

Managing debt has been a top priority for the Company's management. Majority of the proceeds from the partial sale of the specialty business is being used for repaying debt and optimising interest costs. Additionally, the Company has deployed a dedicated team for converting its rupee-denominated debts into foreign-currency based debts – reducing the burden on its books. These efforts should deleverage the Balance Sheet and boost profitability.

Board's report

Dear Members

Your Directors have pleasure in presenting the 28th Annual Report of your Company for the financial year ended 31st March, 2016.

Financial Results

The financial performance of your Company for the year ended 31st March, 2016 is summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operations (Net)	3,203.77	4,315.82	13,564.40	13,859.65
EBITDA	861.82	1,071.55	2,428.92	2,227.52
Less : Finance Costs	560.59	623.35	815.66	790.37
Less : Depreciation	187.92	205.6	613.93	661.78
Profit Before Exceptional Items & Tax	113.31	242.55	999.32	775.37
Exceptional Items	0	0	0.00	0.00
Profit Before Tax	113.40	242.55	999.32	775.37
Less : Tax Expense	32.12	53.20	162.59	54.87
Profit After Tax	81.28	189.35	836.73	720.50
Less: Minority Interest	Nil	Nil	Nil	Nil
Profit attributable to shareholders of the Company	81.28	189.35	836.73	720.50
Opening balance in Statement of Profit and Loss	1932.48	1758.50	3785.01	3181.49
AMOUNT AVAILABLE FOR APPROPRIATION	2013.76	1947.49	4621.74	3901.99
That the Directors recommends for appropriation as under:				
Transfer to General Reserve	-	-	-	-
Closing Balance in Statement of Profit and Loss	2013.76	1947.49	4621.74	3785.01

OVERVIEW OF COMPANY'S FINANCIAL PERFOMANCE

On a consolidated basis, your Company reported net revenue of ₹13,564.40 million as against ₹13,859.65 million. This marginal decline was due to the change in product mix in the Specialty Chemicals business and eventual divestiture of certain identified product segments. EBITDA for FY2016 was ₹2,428.92 compared to ₹2,227.52 million in the previous year. This growth This was driven by robust performance of both the API and FDF divisions in the healthcare vertical. Net profit after minority interest for the group for the current year is ₹836.73 million as against ₹720.50 million in the previous year.

Net revenue from operations on standalone basis increased to ₹3,203.77 million as against ₹4,315.82 million in the previous year. FY2016 EBITDA was ₹861.82 compared to ₹1,071.55 million in the previous year. The Profit After Tax for the current year is ₹81.28 million.

Your Company has entered into an agreement with Clariant India Limited for the transfer and sale of identified products along with their associated trademarks and assets within the Speciality Chemicals division for ₹3,800 million. During January 2016 the Company closed the first stage of the transaction and received ₹2,584 million as part of the sale proceeds. The remaining consideration will be received after Closure of second stage of the transaction.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year FY2016 and the date of this report.

SHARE CAPITAL

The Authorised Share Capital of the Company is ₹111,00,00,000/- (Rupees One Hundred Eleven Crores only) comprising 4,00,00,000 (Four Crores) Equity Shares of ₹10/- (Rupees Ten 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 ₹16,20,37,830 (rupees sixteen crores twenty lakhs thirty-seven thousand eight hundred and thirty only) divided into 162,03,783 equity shares of ₹10/- each as on March 31, 2016.

TRANSFER TO GENERAL RESERVE

The Company proposes not to transfer funds to general reserves for the FY2016. The total Reserves & Surplus (including Capital Reserve, Securities Premium Reserve, Central Subsidy, General Reserve and Surplus) as on March 31, 2016 is ₹3,534.38 million.

DIVIDEND

Due to proposed investment in expansions and developments in future and to conserve the available resources for the same, the board of directors of the Company have not recommend any dividend for the year FY2016

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).

LOANS AND 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, 2016, are set out in the Standalone Financial Statements forming part of this report.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year FY2016 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

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of audited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

SUBSIDIARIES

A separate statement containing the salient features of financial statements of all subsidiaries of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Corporate Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company (www.Vivimedlabs.com).

The financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements of your Company is set out in the Annexure -1 to this Report. Additional details of the performance and operations of the subsidiaries along with details of the investments made by your Company are set out in the Management Discussion and Analysis which also forms part of this report

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses viz., the pharmaceuticals, Specialty chemicals, API's business, internal controls and their adequacy, risk management systems and other material developments during the financial year FY2016..

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report.

INDUSTRIAL RELATIONS

Your Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. Your Company has taken several initiatives for enhancing employee engagement and satisfaction.

The industrial relations in respect of all manufacturing facilities and divisions of your Company are normal.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by rotation and subsequent re-appointment:

Shri Manohar rao Varalwar and Shri.Subhash Varalwar, Directors, are liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered themselves for re- appointment. Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 28th AGM of your Company. Your Directors recommend their re-appointment as Directors of your Company.

The Independent Directors of your Company are not liable to retire by rotation.

Shri Santosh Varalwar (Managing Director), Shri.Pavan Kumar M (CEO), Shri. Ramesh Challa (CFO) and Shri.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 re-enactment(s) for the time being in force).

Shri.Srinivas Chidambaram (Nominee Director) (Resigned with effect from 17.12.2015), Shri Amarjit Singh Bhatia, CFO (Resigned with effect from 23/04/2016)

Shri.Pavan Kumar M (CEO)and Shri. Ramesh Challa (CFO) has been appointed on 23.04.2016.

Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and particulars of Employees:

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

The Managing Director & CEO 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).

Declaration of Independence:

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).

Evaluation of Board's Performance:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors/ Board/ Committees was carried out. The criteria applied in the evaluation process are detailed in the Corporate Governance Report which forms part of this report.

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during FY2016 are given in the Corporate Governance Report which forms a part of this report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors:

At the Annual General Meeting held on 30th September, 2015, M/s. P.Mulari & Co., Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017, In terms of the first proviso to Section 139 of the Companies Act. 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. P. Mulari & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

The Auditors' Report for FY2016 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Cost Auditor:

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on August 13, 2016 has approved the appointment of M/s. A.S. Rao & Co, Cost Accountants, (Firm Registration No. 000326) as the Cost Auditor of your Company to conduct the audit of cost records for the financial year FY2017. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing 28th AGM, would not exceed ₹1.1 lacs (Rupees One lac Ten thousand only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. A.S. Rao & Co, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year FY2017 along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor:

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on August 13, 2016 has appointed Mr.N.V.S.S.S. Rao, Practicing Company Secretary (Certificate of Practice No.2886), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year FY2017.

Your Company has received consent from Mr.N.V.S.S.S. Rao, to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2017.

The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as Annexure -3 to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as on 31st March, 2016 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure -4 to this report.

RELATED PARTY TRANSACTIONS

During the financial year FY2016, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals are granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's

Vivimed

length basis in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The details of the related party transactions as per Accounting Standard 18 are set out in the Standalone Financial Statements forming part of this report.

The Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as Annexure -5

VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website (www.vivimedlabs.com).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR expenditure incurred by your Company during the financial year FY2016 was ₹36 lakhs.

The CSR initiatives of your Company were under the thrust areas of water management.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2016, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure -6.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as Annexure -7 to this report.

DETAILS ON 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 and relevant provisions of the Companies Act, 1956, to the extent applicable. 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.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

GENERAL

a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and

b) Your Company have ESOP scheme for its employees/Directors.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), 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 your Company as at 31st March, 2016 and of the profit and loss of the Company for the financial year ended 31st March, 2016;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a 'going concern' basis;

(e) proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Cautionary statement

The management of Vivimed Labs has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs may cause actual results to differ materially.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of women at Workplace in accordance with 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.

APPRECIATION

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Hyderabad	**Manohar Rao V**	**Santosh Varalwar**
Date: August 13, 2016	Wholetime Director	*Managing Director*

ANNEXURE-1 TO BOARD'S REPORT

The financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements are detailed below:

(₹ in million)

Sr. No.	Name of the Subsidiary/ Associates company	Turnover		Profit/(Loss) Before Tax		Profit/(Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
A)	Foreign Subsidiaries						
1	Vivimed Holdings Limited	Nil	Nil	Nil	(15.07)	Nil	(15.07)
2	Vivimed Labs Europe Limited	1123	1153.92	160.04	182.34	128.00	146.05
3	Vivimed Labs USA Inc	455	484.06	6.23	6.41	2.76	6.92
4	Vivimed Labs Mauritius Limited	Nil	Nil	(7.20)	3.84	(7.20)	3.84
5	Vivimed Labs UK Limited	Nil	Nil	30.09	(21.56)	29.09	(21.58)
6	Vivimed Labs Spain S.L	Nil	Nil	(82.36)	(106.15)	(29.94)	(37.21)
7	Union Quimico Farmaceutica S.A.U	5556.66	5240.73	485.16	345.11	431.64	319.10
8	Holiday International Limited	Nil	Nil	28.98	12.17	26.00	9.70
9	Uquifa Mexico S.A DE C.V	1744.81	1806.97	227.97	88.36	192.18	75.96
B)	Indian Subsidiaries						
1	Creative HealthCare Private Limited	989.54	861.11	80.94	71.41	55.80	64.48
2	Klarsehen Private Limited	373.37	313.68	52.83	55.37	36.19	38.15
3	Octtantis Nobel Labs Private Limited	Nil	Nil	(12.08)	(4.14)	(12.08)	(4.14)
4	Vivimed Labs (Alathur) Private Limited	323.19	281.31	(83.21)	(85.42)	(95.51)	(55.30)
5	Finoso Pharma Private Limited	68.83	63.43	(1.47)	0.19	(1.47)	0.24

Notes:

1. Vivimed Specialty Chemicals Private Limited was incorporated on 20th July, 2015.

2. Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31st March, 2016 for current period and 31st March, 2015 for previous period.

For and on behalf of the Board

Sd/-
Manohar Rao V
Wholetime Director

Sd/-
Santosh Varalwar
Managing Director

Place: Hyderabad
Date: August 13, 2016

ANNEXURE-2 TO BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with 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 2015-16 is as follows:

Name of Director(s)	Total Remuneration	Ratio of remuneration of director to the Median remuneration
SANTOSH VARALWAR	6000004	23
SUBHASH VARALWAR	6000004	23
MANOHAR RAO VARALWAR	6000004	23
SANDEEP VARALWAR	6000004	23
SRIRAMBATLA RAGHUNANDAN	5000004	19.17
PROF M BHAGVANTH RAO	3,05,000	1.17
NIXON PATEL	25,000	0.10
PEESAPATI VENKATESWARULU	1,15,000	0.44
PAALURI VENKATARATHNAM	5,55,000	2.13
UMANATH VARAHABHOTLA	90,000	0.35

Notes:

1. The information provided above is on standalone basis.
2. The remuneration of Non-Executive Directors is sitting fees paid to them for the financial year 2015-16 and commission of ₹3 lakh payable to Mr. P.V. Rathnam.
3. Median remuneration of the Company for all its employees is ₹2,60,835/- -for the financial year 2015-16.

B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2015-16 are as follows:

Name(s)	Designation	Remuneration (in ₹)		Increase (in %)
		2015-16	2014-15	
SANTOSH VARALWAR	Managing director	6000004	6000004	0
SUBHASH VARALWAR	Whole-time director	6000004	6000004	0
MANOHAR RAO VARALWAR	Whole-time director	6000004	6000004	0
SANDEEP VARALWAR	Whole-time director	6000004	6000004	0
SRIRAMBATLA RAGHUNANDAN	Whole-time director	5000004	5000004	0
PROF M BHAGVANTH RAO	Director	3,05,000	135000	125.93
NIXON PATEL	Director	25,000	15000	66.67
PEESAPATI VENKATESWARULU	Director	1,15,000	75000	53.33
PAALURI VENKATARATHNAM	Director	5,55,000	935415	-40.67
UMANATH VARAHABHOTLA	Director	90,000	Nil	#
AMARJIT SINGH BHATIA	Chief Financial Officer	4376277	Nil	#
N M VAIDYANATHAN	Chief Financial Officer	Nil	5304187	#
YUGANDHAR KOPPARTHI	Company Secretary	1836004	1771500	3.6

Notes:

1. # Appointed / worked during the referred financial year (Percentage increase in remuneration not reported as they were holding Directorship / CFO positions for the part of the financial years 2015-2016 or 2014-15 and remuneration is proportionately adjusted).
2. The remuneration to Non-Executive Directors is sitting fees paid to them for the financial year 2015-16 and commission payable to Mr. P.V. Rathnam.
3. The remuneration to Directors is within the overall limits approved by the shareholders of your Company.

C. Percentage increase in the median remuneration of all employees in the financial year 2015-16: (Amount in ₹)

	2015-16	2014-15	Increase (in %)
Median remuneration of all employees per annum	2,60,835	2,08,668	25

D. Number of permanent employees on the rolls of your Company as on 31st March, 2016:

Executive/Manager cadre	**298**
Staff	279
Operators/Workmen	78
Total	**655**

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

The increase in average remuneration of all employees in the financial year 2015-16 as compared to the financial year 2014-15 was 25%.

The key indices of Company's performance are: (₹ in millions)

	2015-16	2014-15	Growth (%)
Net Revenue from operations	3193.94	4301.48	-25.75
Profit Before Tax and Exceptional Items	113.40	242.59	-53.25
Profit After Tax	81.28	189.39	-57.08

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 53.25% in 2015-16, compared to 2014-15. 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 31st March, 2016	As on 31st March, 2015	Increase/ (decrease) (%)
Price Earnings Ratio	82.97	31.18	166.10
Market Capitalization (₹ In millions)	6748.88	5907.09	14.25

Comparison of share price at the time of first public offer and market price of the share of 31st March, 2016:

Market Price as on 31st March, 2016	416.50
Price at the time of initial public offer in 2005 (converted to price of each share for face value of ₹10/- each) ₹10/- each)	70.00
% increase of market price over the price at the time of initial public offer	495

Note:

1. Closing share price on the National Stock Exchange of India Limited (NSE) has been used for the above tables.

H. Comparison of average percentage increase in salary of employees other than key managerial personnel and the percentage increase in the key managerial remuneration: (₹ in millions)

	2015-16 (₹)	2014-15 (₹)	Increase (%)
Avarage salary of all employees (other than Key Managerial Personnel)	3,82,086	2,95,200	29.43%
Key Managerial Personnel			
- Salary of MD & CEO	6000004	6000004	0
- Salary of CFO	4376277	5304187	(17.49)#
- Salary of CS	1836004	1771500	3.6

There is a change in CFO position during the respective financial years (Worked for part of the financial year).

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 evaluates 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 are no employees 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 2015-16 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 & CEO	6000004	Management Graduate	30	09/11/1989	54	Shiping Corporation of India
SUBHASH VARALWAR	Whole-time director	6000004	Post Graduate in Chemical Engineering and a Management Graduate	42	09/11/1989	68	Fertilizer Corporation of India
MANOHAR RAO VARALWAR	Whole-time director	6000004	post-graduation in Veterinary Sciences	55	10/11/1994	79	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	6000004	Graduation in B. Pharmacy	24	23/01/2008	47	V V S Pharmaceuticals & Chemicals Pvt Ltd.

Notes:

1. Shri Santosh Varalwar, Shri. Manohar Rao Varalwar, Shri. Subhash Varalwar and Shri. Sandeep Varalwar (Directors) are relatives to each other.

2. @ The contractual terms of Shri Santosh Varalwar, Shri. Manohar Rao Varalwar, Shri. Subhash Varalwar and Shri. Sandeep Varalwar (Directors) are governed by the resolutions passed by the shareholders in the 27th AGM of your Company held on 30th September, 2015.

3. The above mentioned Directors are part of the promoter group and holding(Along with other promoters and persons acting in concert with them) 5965945 shares of ₹10/- each (36.82% to the total paid up capital) of your Company.

4. Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.

M. Employees employed for the part of the year and were paid remuneration during the financial year 2015-16 at a rate which in aggregate was not less than ₹ 5 lakhs per month:

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Mr.Amarjit Singh Bhatia	Chief Financial Officer	4376277	Chartered Accountant	20	14/08/2015	53	Polygenta Technologies Ltd

Notes:

1. The above mentioned employee is not related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

2. The above mentioned employee is not holding any shares of your Company, along with their spouse and dependent children.

3. All appointments are contractual and terminable by notice on either side.

4. Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.

For and on behalf of the Board

Sd/-
Manohar Rao V
Wholetime Director

Sd/-
Santosh Varalwar
Managing Director

Place: Hyderabad
Date: August 13, 2016

ANNEXURE-3 TO BOARD'S REPORT

FORM NO.MR.3.

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vivimed Labs Limited (hereinafter referred to as "the Company"), Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 the 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, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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 during the Audit Period);

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreement entered into by the Company with Stock Exchanges;

(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015).

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

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.

I further report that -

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously/with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period, there was no specific event / action having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, etc., referred to above.

N V S S S Rao
Company Secretary in practice
ACS No.5868
CP NO.2886

Place: Hyderabad,
Date: 13th August 2016

ANNEXURE-4 TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2016

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	
	1. Public Company	√
	2. Private Company	
	Sub-category of the Company	
	1. Government Company	
	2. Small Company	
	3. One Person Company	
	4. Subsidiary of Foreign Company	
	5. NBFC	
	6. Guarantee Company	
	7. Limited by shares	
	8. Unlimited Company	
	9. Company having share capital	√
	10. Company not having share capital	
	11. Company Registered under Section 8	
i.	Address of the Registered office & contact details	
	Company Name	Vivimed Labs Limited
	Address	Plot No.78/A, Kolhar Industrial Area,
	Town / City	Bidar
	State	Karnataka
	Pin Code	585403
	Country Name	INDIA
	Country Code	IND
	Telephone with STD Area Code Number	+91-8482-232045,
	Fax Number	+91- 8482 - 232436
	Email Address	yugandhar.Kopparthi@vivimedlabs.com
	Website, if any	www.vivimedlabs.com
	Name of the Police Station having jurisdiction where the Registered Office is situated	Bidar police station
i.	Whether shares listed on recognized Stock Exchange(s)	YES
	Details of the Stock Exchanges where shares are listed:	

Sr. No.	Stock Exchange(s)	Name Code
1	BSE Limited (BSE)	532660
2	The National Stock Exchange of India Limited (NSE)	VIVIMEDLAB
	vii. Name and Address of Registrar & Transfer Agents (RTA)	
	Registrar & Transfer Agent	Aarthi Consultants Private Limited
	Address	1-2-285, Domalguda
	Town / City	Hyderabad
	State	Telangana
	Pin Code	500029
	Country Name	INDIA
	Country Code	IND
	Telephone with STD Area Code Number	Phone : +91-40-27638111/27634445
		Fax : +91-40-27632184
	Email Address	info@aarthiconultants.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

SN	Name and Address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Creative Healthcare Private Limited 130, SHANTA INDUSTRIAL ESTATE, 1ST FLOOR I. B. PATEL ROAD, GOREGAON EAST MUMBAI MH 400063 IN	U24230MH2005PTC154622	Subsidiary	100% held by Vivimed Labs Limited	2(87)
2	Klar Sehen Private Limited PLOT NO.78A,KOLHAR INDUSTRIAL AREA BIDAR KA 585403 IN	U25209KA1977PTC078763	Subsidiary	a) 6,99,800 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)

SN	Name and Address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
3	Finoso Pharma Pvt ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	U24231TG2009PTC064774	Subsidiary	a)1015000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)
4	Vivimed Labs Alathur Pvt Ltd 130,SHANTA INDUSTRIAL ESTATE, 1ST FLOOR, I.B.PATEL ROAD,GOREGAON EAST, MUMBAI MH 400063 IN	U24219MH2006PTC165760	Subsidiary	a) 50170000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)
5	Octtantis Nobel Labs Private Limited PLOT.NO.78A,KOLHAR INDL.AREA, BIDAR KA 585403 IN	U24232KA2011PTC078720	Subsidiary	a) 25,000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)
6	Vivimed Specialty Chemicals Private Limited PLOT NO. 78-A, KOLHAR INDUSTRIAL AREA,, KOLHAR, BIDAR - 585403, Karnataka, INDIA	U24100KA2015PTC081669	Subsidiary	a) 10000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)
7	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%	2(87)
8	Vivimed Labs Europe Limited PO BOX B3 Leeds Road, Huddersfield, HD1 6BU	Not Applicable	Subsidiary	a) 1,00,000 b) GB £ 1 each c)100% held through Vivimed Holdings Limited)	2(87)
9	Vivimed Labs USA INC. 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	Not Applicable	Subsidiary	a) 1000 b) US $ 0.01 each c) 100% held by Vivimed Labs Limited	2(87)

SN	Name and Address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
10	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)
11	Vivimed Labs UK Limited PO BOX B3 Leeds Road HuddersfieldHD1 6BU	Not Applicable	Subsidiary	a) 78,32,821 b) £ 1 each c) 100% held through Vivimed Labs Mauritius Limited	2(87)
12	Vivimed Labs Spain S.L. c/ Mallorca, 262, 3º -08008 BARCELONA-SPAIN-	Not Applicable	Subsidiary	a) 91,92,738 b) € 1 each c) 100% held through Vivimed Labs UK Limited	2(87)
13	Union Quimico Farmaceutica S.A.U c/ Mallorca, 262, 3º -08008 BARCELONA-SPAIN-	Not Applicable	Subsidiary	a) 8,23,529 nominative shares b) € 3.726275 each c) 100% held through Vivimed Labs Spain S.L.	2(87)
14	Holliday International Limited PO BOX B3 Leeds Road,Huddersfield HD1 6BU	Not Applicable	Subsidiary	a) 101 ordinary shares b)£ 1 each c) 100% held through Vivimed Labs Spain, S.L.	2(87)
15	Uquifa Mexico S.A. de C.V. 37 Este, No 126, Civac, 62570 Jiutepec, Morelos, México	Not Applicable	Subsidiary	a) 36,54,96,000 b) No nominal value c) 100% 36,54,95,999 fully paid shares held by Holliday International Limited and 1 fully paid share held by Vivimed Labs UK 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	2500000 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-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	3988738	-	3988738	24.62	3528512	-	3528512	21.78	-2.84
b) Central Govt	0	-	0	0.00	0	-	0	0.00	0
c) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0
d) Bodies Corp.	2155987	-	2155987	13.31	2437433	-	2437433	15.04	1.73
e) Banks / FI	0	-	0	0.00	0	-	0	0.00	0
f) Any other	0	-	0	0.00	0	-	0	0.00	0
Total shareholding of Promoter (A)	6144725	-	6144725	37.93	5965945	-	5965945	36.82	-1.11
B. Public Shareholding									
1. Institutions	0	-	0	0.00	0	-	0	0.00	0
a) Mutual Funds	0	-	0	0.00	31698	-	31698	0.02	0.02
b) Banks / FI	5667	-	5667	0.03	7195	-	7195	0.04	0.01
c) Central Govt	19226	-	19226	0.12	19226	-	19226	0.12	0
d) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0
e) Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0
f) Insurance Companies	0	-	0	0.00	0	-	0	0.00	0
g) FIIs	286345	-	286345	1.77	24565	-	24565	0.15	-1.62
h) Foreign Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0
i) Others (specify) -Foreign Portfolio Investor	0	-	0	0.00	428866	-	428866	2.65	2.65
Sub-total (B)(1):-	**311238**		**311238**	**1.92**	**511550**		**511550**	**2.98**	**1.06**
2. Non-Institutions									
a) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
i) Indian	1580222	-	1580222	9.75	1202790	-	1202790	7.42	-2.33
ii) Overseas	4207121	-	4207121	25.96	4207121	-	4207121	25.96	0
b) Individuals	0	-	0	0.00	0	-	0	0.00	0
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1348591	50203	1398794	8.63	1511708	9551	1521259	9.39	0.76
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1265546	-	1265546	7.81	1712357	27752	1740109	10.74	2.93
c) Others (specify)- NBFCs Registered with RBI	0	-	0	0.00	105500	-	105500	0.65	0.65
Non Resident Indians	596472	-	596472	3.68	621512	-	621512	3.84	0.16
Overseas Corporate Bodies	0	-	0	0.00	0	-	0	0.00	0
Foreign Nationals	0	273968	273968	1.69	0	273968	273968	1.69	0
Clearing Members	326741	-	326741	2.02	162573	-	162573	1.00	1.02
Trusts	98956	-	98956	0.61	91456	-	91456	0.56	-0.05
Foreign Bodies - D R	0	-	0	0.00	0	-	0	0.00	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(2):-	9423649	324171	9747820	60.15	9415017	311271	9726288	60.02	-0.13
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9734887	324171	10059058	62.07	9926567	311271	10237838	63.18	1.11
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**15879612**	**324171**	**16203783**	**100**	**15892512**	**311271**	**16203783**	**100**	**0**

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	BBR PROJECTS PRIVATE LIMITED	2014987	12.44	10.85	2296433	14.17	10.96	2.6
2	SANTOSH VARALWAR	1269810	7.84	6.33	1219810	7.53	7.52	-0.01
3	VARALWAR SANDEEP	612193	3.78	3.09	612193	3.78	3.78	0
4	MANOHAR RAO VARALWAR	589071	3.64	2.93	348845	2.15	2.11	-1.49
5	SUJATHA VARALWAR	499799	3.08	3.08	464799	2.87	0.49	-0.21
6	VITHABAI VARALWAR	319669	1.97	1.94	194669	1.20	1.17	-0.77
7	VARALWAR SUBHASH	315000	1.94	1.54	335000	2.07	1.54	0.13
8	BUTTERFLY AGRI PRODUCTS (P) LTD	141000	0.87	0	141000	0.87	0	0
9	SHEETAL VARALWAR	131900	0.81	0	121900	0.75	0	-0.06
10	S RAGHUNANDAN	63500	0.39	0	63500	0.39	0	0
11	VIJAYKUMAR VARALWAR	50000	0.31	0	50000	0.31	0	0
12	MADHAVI VARALWAR	40000	0.25	0	40000	0.25	0	0
13	MAMATHA GURNUKAR	30000	0.19	0	30000	0.19	0	0
14	VARALWAR PADMA	26650	0.16	0	6650	0.04	0	-0.12
15	NEELIMA VIJAYA VARALWAR	20000	0.12	0	20000	0.12	0	0
16	SATISH GOOTY AGRAHARAM	11127	0.07	0	11127	0.07	0	0
17	CHANDRASHEKHARRAO SUDIGALI	10019	0.06	0	10019	0.06	0	0
		6144725	**37.92**	**29.76**	**5965945**	**36.82**	**27.57**	**-1.11**

* 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 (01.04.2015 to 31.03.216)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.216)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	BUTTERFLY AGRI PRODUCTS (P) LTD	141000	0.870	01-Apr-15	0	-	141000	0.870
		141000	0.870	31-Mar-16	0	-	141000	0.870
2	BBR PROJECTS PRIVATE LIMITED	2014987	12.44	31-Mar-15	0	-	2014987	12.44
		2014987	12.44	05-Jun-15	88000	Transfer/Sale	1926987	11.89
		1926987	11.89	14-Aug-15	30000	Buy/Transfer	2226536	13.74
		2226536	13.74	04-Sep-15	8000	Buy/Transfer	2234536	13.79
		2234536	13.79	30-Sep-15	8500	Buy/Transfer	2243036	13.84
		2243036	13.84	16-Oct-15	36397	Buy/Transfer	2279433	14.07
		2279433	14.07	23-Oct-15	20000	Buy/Transfer	2299433	14.19
		2299433	14.19	13-Nov-15	43000	Transfer/Sale	2256433	13.93
		2256433	13.93	18-Dec-15	60000	Buy/Transfer	2316433	14.30
		2316433	14.30	19-Feb-16	20000	Transfer/Sale	2296433	14.17
		2296433	14.17	31-Mar-16	0	-	2296433	14.17
3	NEELIMA VIJAYA VARALWAR	20000	0.123	01-Apr-15	0	-	20000	0.123
		20000	0.123	31-Mar-16	0	-	20000	0.123
4	VIJAYKUMAR VARALWAR	50000	0.309	01-Apr-15	0	-	50000	0.309
		50000	0.309	31-Mar-16	0	-	50000	0.309
5	VARALWAR SUBHASH	315000	1.944	01-Apr-15	0	-	315000	1.944
		315000	1.944	18-Mar-16	20000	Buy/ Transfer	315000	1.944
		335000	2.067	31-Mar-16	0	-	335000	2.067
6	MADHAVI VARALWAR	40000	0.247	01-Apr-15	0	-	40000	0.247
		40000	0.247	31-Mar-16	0	-	40000	0.247
7	VITHABAI VARALWAR	319669	1.973	01-Apr-15	0	-	319669	1.973
		319669	1.973	16-Oct-15	125000	Transfer/ Sale	319669	1.973
		194669	1.201	31-Mar-16	0	-	194669	1.201
8	VARALWAR SANDEEP	612193	3.778	01-Apr-15	0	-	612193	3.778
		612193	3.778	31-Mar-16	0	-	612193	3.778
9	SANTOSH VARALWAR	1269810	7.837	01-Apr-15	0	-	1269810	7.837
		1269810	7.837	05-Jun-15	50000	Transfer/ Sale	1219810	7.528
		1219810	7.528	31-Mar-16	0	-	1219810	7.528

10	MANOHAR RAO VARALWAR	589071	3.635	01-Apr-15	0	-	589071	3.635
		589071	3.635	19-Jun-15	100000	Transfer/ Sale	589071	3.635
		489071	3.018	17-Jul-15	25000	Transfer/ Sale	489071	3.018
		464071	2.864	16-Oct-15	145226	Transfer/ Sale	464071	2.864
		318845	1.968	04-Dec-15	10000	Transfer/ Sale	318845	1.968
		308845	1.906	18-Dec-15	40000	Buy/ Transfer	308845	1.906
		348845	2.153	31-Mar-16	0	-	348845	2.153
11	MAMATHA GURNUKAR	30000	0.185	01-Apr-15	0	-	30000	0.185
		30000	0.185	31-Mar-16	0	-	30000	0.185
12	SATISH GOOTY AGRAHARAM	11127	0.069	01-Apr-15	0	-	11127	0.069
		11127	0.069	31-Mar-16	0	-	11127	0.069
13	SUJATHA VARALWAR	499799	3.084	01-Apr-15	0	-	499799	3.084
		499799	3.084	22-Jan-16	35000	Transfer/ Sale	499799	3.084
		464799	2.868	31-Mar-16	0	-	464799	2.868
14	SHEETAL VARALWAR	131900	0.814	01-Apr-15	0	-	131900	0.814
		131900	0.814	27-Nov-15	10000	Transfer/ Sale	131900	0.814
		121900	0.752	31-Mar-16	0	-	121900	0.752
15	VARALWAR PADMA	26650	0.164	01-Apr-15	0	-	26650	0.164
		26650	0.164	18-Mar-16	20000	Transfer/ Sale	26650	0.164
		6650	0.041	31-Mar-16	0	-	6650	0.041
16	S RAGHUNANDAN	63500	0.392	01-Apr-15	0	-	63500	0.392
		63500	0.392	31-Mar-16	0	-	63500	0.392
17	CHANDRASHEKHARRAO SUDIGALI	10019	0.062	01-Apr-15	0	-	10019	0.062
		10019	0.062	31-Mar-16	0	-	10019	0.062

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	NYLIM JACOB BALLAS INDIA FUND III, LLC				
	At the beginning of the year	2126984	13.1	2126984	13.1
	Bought during the year	-	-	2126984	13.1
	Sold during the year	-	-	2126984	13.1
	At the end of the year	2126984	13.1	2126984	13.1
2	KITARA PIIN 1102				
	At the beginning of the year	1830137	11.3	1830137	11.3
	Bought during the year	-	-	1830137	11.3
	Sold during the year	-	-	1830137	11.3
	At the end of the year	1830137	11.3	1830137	11.3
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	505000	3.12	505000	3.12
	Bought during the year	68500	0.42	68500	0.42
	Sold during the year	439993	2.72	439993	2.72
	At the end of the year	133507	0.82	133507	0.82
4	WILLIAM F HARVEY				
	At the beginning of the year	273968	1.69	273968	1.69
	Bought during the year	-	-	273968	1.69
	Sold during the year	-	-	273968	1.69
	At the end of the year	273968	1.69	273968	1.69
5	SAMEER MAHENDRA SAMPAT				
	At the beginning of the year	271833	1.68	271833	1.68
	Bought during the year	-	-	271833	1.68
	Sold during the year	-	-	271833	1.68
	At the end of the year	271833	1.68	271833	1.68
6	TRANSARTICA COMPANY LIMITED				
	At the beginning of the year	250000	1.54	250000	1.54
	Bought during the year	-	-	250000	1.54
	Sold during the year	-	-	250000	1.54
	At the end of the year	250000	1.54	250000	1.54
7	KOTAK MAHINDRA (INTERNATIONAL) LIMITED				
	At the beginning of the year	243860	1.5	243860	1.5
	Bought during the year	-	-	243860	1.5
	Sold during the year	-	-	243860	1.5
	At the end of the year	243860	1.5	243860	1.5
8	NISHA JIGNESH MEHTA				
	At the beginning of the year	240503	1.48	240503	1.48
	Bought during the year	46773	0.29	46773	0.29
	Sold during the year	17221	0.11	17221	0.11
	At the end of the year	270055	1.67	270055	1.67
9	INDIABULLS INFRASTRUCTURE CREDIT LIMITED				
	At the beginning of the year	214239	1.32	214239	1.32
	Bought during the year	-	-	214239	1.32

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
	Sold during the year	205555	1.27	205555	1.27
	At the end of the year	8684	0.05	8684	0.05
10	NIRMAL BANG SECURITIES PVT LTD				
	At the beginning of the year	148959	0.92	148959	0.92
	Bought during the year	111177	0.69	111177	0.69
	Sold during the year	253847	1.57	253847	1.57
	At the end of the year	6289	0.04	6289	0.04

Notes:

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

E. Shareholding of Directors and Key Managerial Personnel:

1. DIRECTORS

Sl. No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.216)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.216)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	MANOHAR RAO VARALWAR	589071	3.635	01-Apr-15	0	-	589071	3.635
		589071	3.635	19-Jun-15	100000	Transfer/Sale	589071	3.635
		489071	3.018	17-Jul-15	25000	Transfer/Sale	489071	3.018
		464071	2.864	16-Oct-15	145226	Transfer/Sale	464071	2.864
		318845	1.968	04-Dec-15	10000	Transfer/Sale	318845	1.968
		308845	1.906	18-Dec-15	40000	Buy/Transfer	308845	1.906
		348845	2.153	31-Mar-16	0	-	348845	2.153
2	SANTOSH VARALWAR	1269810	7.837	01-Apr-15	0	-	1269810	7.837
		1269810	7.837	05-Jun-15	50000	Transfer/Sale	1219810	7.528
		1219810	7.528	31-Mar-16	0	-	1219810	7.528
3	VARALWAR SUBHASH	315000	1.944	01-Apr-15	0	-	315000	1.944
		315000	1.944	18-Mar-16	20000	Buy/Transfer	315000	1.944
		335000	2.067	31-Mar-16	0	-	335000	2.067
4	VARALWAR SANDEEP	612193	3.778	01-Apr-15	0	-	612193	3.778
		612193	3.778	31-Mar-16	0	-	612193	3.778
5	S RAGHUNANDAN	63500	0.392	01-Apr-15	0	-	63500	0.392
		63500	0.392	31-Mar-16	0	-	63500	0.392

2. KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding duringthe year (01.04.2015 to 31.03.216)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.216)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	AMARJITH SIGNH BATIA	0	0	01.04.2015	-	-	0	0
		-		31.03.2016	-	-	-	-
2	YUGANDHAR KOPPARTHI	0	0	01.04.2015	-	-	0	0
		-		31.03.2016	-	-	-	-

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 01.04.2015)				
i) Principal Amount	4129.20	Nil	Nil	4129.20
ii) Interest due but not paid	68.40	Nil	Nil	68.40
iii) Interest accrued but not due	-	Nil	Nil	-
Total (i+ii+iii)	4197.60	Nil	Nil	4197.60
Change in Indebtedness during the financial year				
• Addition	380.00	-	-	380.00
• Reduction	1403.55	-	-	1403.55
Net Change	**-1023.55**	**Nil**	**Nil**	**-1023.55**
Indebtedness at the end of the financial year (As on 31.03.2016)	**3071.15**	**Nil**	**Nil**	**3071.15**
i) Principal Amount	3053.95	Nil	Nil	3053.95
ii) Interest due but not paid	17.20	Nil	Nil	17.20
iii) Interest accrued but not due	-	Nil	Nil	-
Total (i+ii+iii)	**3071.15**	**Nil**	**Nil**	**3071.15**

VI. Remuneration of Directors and Key Managerial Personnel–

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

SN.	Particulars of Remuneration	Name of MD/WTD					Total Amount (₹)
		Dr. V. Manohar Rao	Subash Varalwar	Santosh Varalwar	Sandeep Varalwar	Raghunandhan S	
1	Gross salary (excluding Commission)						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,004	60,00,004	60,00,004	60,00,004	50,00,004	2,90,00,020
	(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)	**60,00,004**	**60,00,004**	**60,00,004**	**60,00,004**	**50,00,004**	**2,90,00,020**
	Ceiling as per the Act	**1,20,00,000**	**1,20,00,000**	**1,20,00,000**	**1,20,00,000**	**1,20,00,000**	**6,00,00,000**

* 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:

Name of Director	Fee for attending board / committee meetings	Commission	Others#	Total
BHAGVANTH RAO MAMIDPALLI	3,05,000	-	-	3,05,000
VENKATA RATNAM PALURI	2,55,000	3,00,000	-	5,55,000
VENKATESWARULU PEESAPATI	1,15,000	-	-	1,15,000
NIXON PATEL	25,000	-	-	25,000
UMANATH VARAHABHOTLA	90,000	-	-	90,000
Total	**-**	**-**	**-**	**10,90,000**
Ceiling as per the Act				**52,00,000**

2. Non-Executive Directors:

(Amount in ₹)

Name of Director	Fee for attending board / committee meetings	Commission	Others	Total
SRINIVAS CHIDAMBARAM	0	-	-	0
Total	**-**	**-**	**-**	**0**

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

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,36,004	43,76,277	62,12,281
	(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	**18,36,004**	**43,76,277**	**62,12,281**

*** Mr.Santosh Varalwar is MD & CEO, his remuneration details already given in Directors remuneration table*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE -5 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.

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section188 of the Companies Act, 2013 which are not at arms length basis

2. 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 arms length basis:

Sl. No.	Name (s) of the related party & nature of relationship	Nature of contracts / arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any	Justification for entering into such contracts or arrangements or transactions'
	Sales & Dossier						
	Creative Health Care Private Limited, India	Sale of goods	FY 2015-16	Not exceeding ₹15 crore per annum	12.11.2014	30.87	The transaction is at arm's length price
	Klar Sehen Private Limited, India	Sale of goods	FY 2015-16	Not exceeding ₹10 crore per annum	12.11.2014	8.98	The transaction is at arm's length price
	Vivimed Labs Europe Limited, UK	Sale of goods	FY 2015-16	Not exceeding ₹150 crore per annum	12.11.2014	177.94	The transaction is at arm's length price
	Vivimed Lab USA Inc. USA	Sale of goods	FY 2015-16	Not exceeding ₹70 crore per annum	12.11.2014	665.07	The transaction is at arm's length price
	Union Quimico Farmaceutica SAU, Spain	Sale of goods	FY 2015-16	Not exceeding ₹20 crore per annum	12.11.2014	64.16	The transaction is at arm's length price
	Uquifa Mexico S A de C.V	Sale of goods	FY 2015-16	Not exceeding ₹10 crore per annum	12.11.2014	0.23	The transaction is at arm's length price
	Purchases from						
	Creative Health Care Private Limited, India	Purchases of goods	FY 2015-16	Not exceeding ₹15 crore per annum	12.11.2014	109.97	The transaction is at arm's length price
	Klar Sehen Private Limited, India	Purchases of goods	FY 2015-16	Not exceeding ₹15 crore per annum	12.11.2014	6.46	The transaction is at arm's length price
	Vivimed Labs Europe Limited, UK	Purchases of goods	FY 2015-16	Not exceeding ₹10 crore per annum	12.11.2014	19.11	The transaction is at arm's length price
	Vivimed Lab USA Inc. USA	Purchases of goods	FY 2015-16	Not exceeding ₹5 crore per annum	12.11.2014	2.61	The transaction is at arm's length price

For and on behalf of the Board

Sd/-
Manohar Rao V
Wholetime Director

Sd/-
Santosh Varalwar
Managing Director

Place: Hyderabad
Date: August 13, 2016

ANNEXURE-6 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:

Water: Environmental sustainability being a core area, your Company recognizes the importance of water and exhibits water stewardship. Your Company believes that the abundant and stable supply of water is the basic need of the society. Conservation of water has become imperative and is being done by your Company at each and every stage. Several water conservation and rain water harvesting initiatives would continue to be undertaken by your Company during the year, to improve its positive water footprint.during the year the company Spent ₹36 lakhs on laying of Water Supply Pipe lines in the Bonthapalli Vilage, Jinnaram Mandalam, Medhak Dist, in the State of Telangana.

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
Prof. M. Bhagvant Rao	Independent, Non- Executive
Dr. V. Peesapati	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 : ₹69 lakhs
4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): ₹69 lakhs
5. Details of CSR spent for the financial year:
   a. Total amount spent for the financial year: ₹36 lakhs
   b. Amount unspent, if any: ₹33 lakhs

2. Composition of the CSR Committee

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 or through implementing agency**
Laying of Water Pipe lines	Water Management	Bonthapally Village, Jinnaram(M), Medak Dist, Talangana State.	₹36 lakhs	1. Direct Expenditure	2. Overheads*	₹36 lakhs	₹36 lakhs
				₹22 lakhs	₹14 lakhs		
		TOTAL					

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

Place: Hyderabad,
Date: 13.08.2016

Santosh Varalwar
Managing Director

Manohar Rao V
Chairman, CSR Committee

ANNEXURE-7 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 2015-16	FY 2014-15
1. Electricity		
Unit (KWH)(in Mn)	44.79	11.55
Total amount (₹ in Mn)	36.40	77.79
Average rate/Unit (₹)	8.12	6.74
2. Own generation from Diesel generator set		
Unit (KWH)(in Mn)	1.05	1.33
Total amount (₹ in Mn)	19.02	23.65
Average rate/Unit (₹)	18.07	17.78
3. Coal		
Quantity (MT)	3,747.62	9,846
Total cost (₹ in Mn)	27.04	56.63
Average rate/MT (₹)	7215	5752

Consumption per unit of production

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

TECHNOLOGY ABSORPTION

PARTICULARS OF ABSORPTION

1. Technology absorption, adaptation and innovation

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

2. Benefits derived as a result of the above efforts

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

3. Imported technology:

Research and Development (R&D)

The Vivimed R&D is focused on revitalizing our growth engine to

balance short, mid and long-term goals. The company is committed to offer superior and affordable solutions for products with intrinsic challenges at the chemistry, engineering and formulation technology areas.

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

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

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

- Benefits derived as a result of the above R & D

Vivimed could achieve a long term sustainability to offer superior value to its customers which would enable the Company to achieve Global leadership position. The Company has developed four sunscreen products during the year.

- 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

(₹ Lakhs)

Particulars	FY 2015-16	FY 2014-15
Capital	-	-
Revenue	1100.79	1106.02
Total	**1100.79**	**1106.02**

FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Lakhs)

Particulars	FY 2015-16	FY 2014-15
Foreign Exchange Earnings	1157.68	3675.35
Foreign Exchange Outgo	1357.78	2508.44

Manohara Rao Varalwar
Whole-time Director

Santosh Varalwar
Managing Director

Place: Hyderabad
Date: August 13, 2016

REPORT ON CORPORATE GOVERNANCE

Vivimed

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a pre- requisite for attaining sustainable growth in this competitive world. Vivimed Labs Limited' philosophy on Corporate Governance is based on transparency and accountability and has been a part of the organizational culture of your Company. In recent times, governance has been further strengthened within the organization by introduction of incremental changes to various policies and processes. Your Company has achieved sustainable growth by being a responsible and well-governed corporate, while exceeding the expectations of all stakeholders. It is your Company's unending mission to regularly nurture and develop steadfast professionalism, accountability and increased disclosures by taking all steps necessary towards superior growth in its value for its stakeholders.

The Securities and Exchange Board of India ("SEBI") on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Listing Regulations were effective from 1st December, 2015 . Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during the month of February, 2016.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

GOVERNANCE STRUCTURE

Vivimed Labs' governance structure comprises of Board of Directors, its Committees and the Management.

Board:

At Vivimed Labs, the Board is at the core of the Corporate Governance practice. Your Company has an optimum mix of eminent personalities on the Board of Directors with members from diverse experience and expertise. Out of 10 members on its Board, 5 (Five) are Independent Directors, 5 (five) are Whole-time Directors / Promoter Directors. This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. Over a period of time, the Board has fostered a culture of leadership to sustain your Company's growth with a long-term vision and ingenious policy to improve the degree of Corporate Governance.

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 6 (six) Committees of the Board viz., Audit Committee, Stake Holders Relationship, Grievance and Share Transfer Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management 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& CEO:

The overall management of the affairs of your Company is entrusted to the Managing Director & CEO 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 & CEO. 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

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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, 2016:

Category	No. of Directors
Non-Executive/Independent Directors	5
Executive/Promoter Directors	5
Total	**10**

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 a Independent Chairman and has an optimum combination of Executive, Non- Executive and Independent Directors.

Number of Board Meetings:

During the financial year 2015-16, 6 (six) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

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

May 30, 2015	November 10, 2015
August 14, 2015	January 11, 2016
September 12, 2015	February 13, 2016

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 2015-16 and at the Annual General Meeting (AGM) are detailed below:

Name of the Director	Number of Board Meetings		Attendance at AGM Held September 30, 2015
	Held	Attended	
Mr.Santosh Varalwar	6	5	No
Mr.Subhash Varalwar	6	5	Yes
Mr.Manohar Rao Varalwar	6	6	No
Prof M Bhagvanth Rao	6	6	No
Mr.Sandeep Varalwar	6	6	No
Mr.Nixon Patel	6	1	No
Mr.Srirambatla Raghunandan	6	6	Yes
Mr.Peesapati Venkateswarulu	6	4	No
Mr.Paaluri Venkatarathnam	6	6	Yes
# Mr.Srinivas Chidambaram	4	3	No
Mrs. Umanath Varahabhotla	6	4	No

resigned with effect from 17/12/2015.

Board Procedures:

The dates for meetings of the Board of Directors and its Committees are scheduled in advance. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The Managing Director & CEO and the members of the EMT / OMT make presentations to the Board on matters including but not limited to the Company's performance, operations, plans, etc. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations. Regular updates provided to the Board, inter alia, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions or business segments;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problem involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non- payment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

The draft minutes of the Board and its Committees are sent to the members for their comments and then the minutes are entered in the minutes book within 30 days of the conclusion of the meeting.

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 2015-16.

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

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reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

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

The Board of Directors at its meeting held on November, 10-, 2015, 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.

Independent Directors:

Mr.P.V.Rathnam, Mr.V.Peesapati, Prof.M.Bhagvanth Rao and Mr.Nixon Patel (Independent Directors) of your Company have been appointed for a tenure of 5 (five) years (up to 31st Annual General Meeting to be held in calender year 2019). Their appointment was approved by the shareholders of your Company at their AGM held on 30th September, 2014 Mrs.Umanath Varahabhotla (Independent Director) of your Company have been appointed for a tenure of 5 (five) years (upto up to 32nd Annual General Meeting to be held in calender year 2020). Her appointment was approved by the shareholders of your Company at their AGM held on 30th September, 2015. 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/investor-relations.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on November 10, 2015, 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.

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 31st March, 2016		
			No. of Other Directorships*	Membership	Chairmanship
Mr.Santosh Varalwar	Managing Director & CEO	Son of Manohar Rao Varalwar, Brother of Sandeep Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Mr.Subhash Varalwar	Whole-time Director	Brother of Manohar Rao Varalwar, Uncle of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil

Name of the Director	Nature of Directorships	Relationship with each other	As on 31st March, 2016		
			No. of Other Directorships*	Membership	Chairmanship
Mr.Manohar Rao Varalwar	Whole-time Director	Brother of Subhash Varalwar, Father of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Prof M Bhagvanth Rao	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mr.Sandeep Varalwar	Whole-time Director	Son of Manohar Rao Varalwar, Brother of Santosh Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Mr. Nixon Patel	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mr.Srirambatla Raghunandan	Whole-time Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mr.Peesapati Venkateswarulu	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mr.Paaluri Venkatarathnam	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Mrs. Umanath Varahabhotla	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil

* Excludes directorship 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.

The shareholding of the Non – Executive Directors of your Company as on 31st March, 2016 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held *	Percentage to the paid up share capital
Prof M Bhagvanth Rao	Non-Executive/ Independent Director	NIL	NIL
Mr.Nixon Patel	Non-Executive/ Independent Director	NIL	NIL
Mr.Peesapati Venkateswarulu	Non-Executive/ Independent Director	NIL	NIL
Mr.Paaluri Venkatarathnam	Non-Executive/ Independent Director	NIL	NIL
Mrs. Umanath Varahabhotla	Non-Executive/ Independent Director	NIL	NIL

The shareholding of Executive Directors of your Company as on 31st March, 2016 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 & CEO	1219810	7.53
Mr.Subhash Varalwar	Whole-time Director	335000	2.07
Mr.Manohar Rao Varalwar	Whole-time Director	348845	2.15
Mr.Sandeep Varalwar	Whole-time Director	612193	3.78
Mr.Srirambatla Raghunandan	Whole-time Director	63500	0.39

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Familiarisation Programme

Your Company has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Your Company through such programmes familiarizes not only the Independent Directors but any new appointee 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 programme are uploaded on the website of your Company and can be accessed through the following link: http://www.vivimedlabs.com/investor-relations.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

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

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director & CEO, CFO, Vice President – Finance, 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 2015-16, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisons 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, 2016 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. P.V Rathnam	Chairman	4	4
Mr. M.Bhagavanth Rao	Member	4	4
Mr. Srinivas Chidambaram *	Member	3	2
Mr.Subhash Varalwar *	Member	1	1

*Mr. Srinivas Chidambaram, resigned from the board & Audit Committee with effect from 17.12.2015 & Mr Subhash Varalwar, has been inducted as a member of Audit Committee on 11.01.2016.

Date(s) on which meeting(s) were held	
May 30, 2015	November 10, 2015
August 14, 2015	February 13, 2016

The Chairman of the Audit Committee was present at the last AGM held on 30th September, 2015

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;

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25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve, policy formulated for determination of material subsidiaries;
31. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
32. Any other matter referred to by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

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

The Committee met 3 (three) times during the financial year 2015-16 on May 30, 2015, August 14, 2015, November 07, 2015. 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 2015-16 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. M.Bhagavanth Rao	Chairman	3	3
Mr. P.V Rathnam	Member	3	3
Dr.V.Peesapati	Member	3	3
Mr.Nixon Patel	Member	3	Nil

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;
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.

Policy on Director's appointment and remuneration:

The Nomination and Remuneration Policy provides for appropriate

composition of Executive, Non-Executive and Independent Directors on the Board of Directors of your Company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 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 your Company.

Remuneration to the Managing Director & CEO & Whole-time Directors:

The shareholders of your Company at the 27th AGM held on 30th September, 2015 approved the re-appointment of Shri.Santosh Varalwar as Managing Director & CEO, Shri. Manohar Rao Varalwar, Shri.Subhash Varalwar, Shri.Sandeep Varalwar and Shri.S.Raghunandan (Whole-time Directs) of your Company for a period of five (5) years. The terms and conditions of their appointment including remuneration payable to them ware approved which was in accordance with the provisions of Section 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force). The details of the Remuneration paid to the above mentioned Directors are stated in the Form MGT- 9 – Extract of the Annual Return which forms part of the Board's Report in this report.

Review of Performance and Compensation to Senior Management:

The Nomination and Remuneration Committee reviews the performance of the senior management of your Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of your Company and its goals.

Commission to Non – Executive Directors:

The shareholders of your Company at their 23rd AGM held on 30th September, 2011 approved the payment of remuneration to the Non-Executive Directors of your Company by way of commission not exceeding one (1) percent of the net profits of your Company.

Details of remuneration paid to Directors during the year 2015-16:

During the financial year 2015-16, your Company paid ₹15,000 (Rupees Fifteen thousand only) for part of the year and ₹25,000 (Rupees Twenty five thousand only) for part of the year as sittings fees for attending the Boards/ other Committee meetings (except Stake Holders Relationship, Grievance and Share Transfer Committee, Independent Directors meeting , Management Committee meetings where no sitting fees were paid) to the Non-Executive Directors of your Company.

Details of the remuneration paid to the Directors of the Company for the financial year 2015-16 are as follows: (Amount in ₹)

Name of the Director	Salary	Perquisites*	Sitting fees	Commission#	Amount ₹
Mr.P.V.Rathnam	-	-	2,55,000	3,00,000	5,55,000
Dr.M.Bhagvanth Rao	-	-	3,05,000	-	3,05,000
Dr. Peesapati Venkateswarlu	-	-	1,15,000	-	1,15,000
Mr.Nixon Patel	-	-	25,000	-	25,000
Mrs.Umanath Varahabhotla	-	-	90,000	-	90,000
Mr. Santosh Varalwar, Managing Director & CEO	60,00,004	-	-	-	60,00,004
Mr. Manohar Rao Varalwar, Whole time Director	60,00,004	-	-	-	60,00,004
Mr. Subhash Varalwar, Whole time Director	60,00,004	-	-	-	60,00,004
Mr.Sandeep Varalwar, Whole time Director	60,00,004	-	-	-	60,00,004
Mr. S.Raghunandan, Whole time Director	5000004	-	-	-	5000004

Remuneration by commission to Non-Executive Director Mr. P.V. Rathnam is ₹3 lakh

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Your Company has not granted any stock options to any of its Directors.

Stake Holders Relationship, Grievance and Share Transfer Committee

The composition of the Stake Holders Relationship, Grievance and Share Transfer Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The constitution of the Stake Holders Relationship, Grievance and Share Transfer Committee of the Board of Directors of your Company during the financial year 2015-16 is detailed below:

Name of the Director	Nature of Membership
Mr.P.V.Rathnam	Chairman
Mr.Santosh Varalwar	Member
Dr.V.Manohar Rao	Member

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 2015-16 are given below:

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

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 November 7, 2015 during the financial year 2015-16. 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 2015-16 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Prof. M. Bhagavanth Rao	Member	1	1
Dr. V. Peesapati	Member	1	0
Mr. Santosh Varalwar	Member	1	0
Dr. V. Manohar Rao	Member	1	1

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 /programmes/ 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.

SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian subsidiary company in terms of Regulation 16 of the Listing Regulations. A

synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of your Company on periodical basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of your Company.

The Policy for determining "material" subsidiaries has been placed on the website of your Company and can be accessed through the following link: http://www.vivimedlabs.com/investor-relations.

RELATED PARTY TRANSACTIONS

All transaction entered into by your Company with related parties, during the FY 2015 – 16, were in ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Form AOC-2 forming part of this Annual Report.

Also, the Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The policy on related party transactions has been placed on the Company's website and can be accessed through the following link: http://www.vivimedlabs.com/investor-relations.

Directors with materially significant, pecuniary or business relationship with your Company:

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and your Company, except for the remuneration payable to them in accordance with the applicable laws. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

CEO&CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO&CFO certificate for the financial year 2015 – 16 signed by Shri. Pavan Kumar M, CEO and Shri. Ramesh Challa, CFO was placed before the Board of Directors of your Company at their meeting held on 30th May, 2016.

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
2014-15	78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	September 30, 2015	11.30 AM	5
2013-14	78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	September 30, 2014	11.30 AM	NIL
2012-13	78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	September 30, 2013	11.30 AM	NIL

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 18/10/2015:

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TO GIVE AUTHORITY FOR TRANSFER OF IDENTIFIED PRODUCTS/BUSINESS RELATING TO SPECIALTY CHEMICALS BUSINESS.

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

Promoter/ Public	No.of shares held (1)	No.of Votes Polled(2)	% of votes polled on outstanding shares (3) = [(2)/(1)]*100	No.of Votes in favour (4)	No.of Votes against (5)	% of votes infavour on votes polled (6)=[(4)/(2)]*100	% of votes against votes polled (7) =[(5)/(2)]*100
Promoter and Promoter Group	59,93,228	56,94,581	95.016	56,94,581	0	100	0
Public – Institutional Holders	44,87,630	21,57,137	48.068	21,57,137	-	100	-
Public - Others	57,22,925	40,171	0.702	39628	543	98.65	1.35
Total	**1,62,03,783**	**78,91,889**	**48.70**	**78,91,346**	**543**	**99.993**	**0.007**

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

On 25.02.2016:

1. Sub-Division of 1 (One) Equity Share of face value of ₹10/- each into 5 (Five) Equity Shares of ₹2/- Each
2. Alteration of Capital Clause of Memorandum of Association.
3. Alteration of the Articles of Association of the Company.

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

Resolution No		1		
Nature of Resolution		Special Resolution		
Subject Matter		Sub-Division of 1 (One) Equity Share of face value of ₹10/- each into 5 (Five) Equity Shares of ₹2/- Each		
S. No.	Particulars	No. of Shareholders	No. of Shares	% to the total shares representing valid votes
a	1. Total Postal ballot form received	93	61,99,514	
	2.Total E-voting options received	12	2,05,013	
	Total (1+2)	**105**	**64,04,527**	
b	Less: Invalid Votes	0	0	
c	3. Net Valid Postal Ballot form	93	61,99,514	96.80
	4.Net Valid E- voting Options	12	2,05,013	3.20
	Total-(3+4)	**105**	**64,04,527**	**100**

d	5. Postal Ballot form with assent of the resolution	84	60,81,918	94.96
	6.E-voting Options with assent for the resolution	12	2,05,013	3.20
	Total (5+6)	**96**	**62,86,931**	**98.16**
e	7. Postal ballot form with dissent for the resolution	9	1,17,596	1.84
	8. E-voting options with dissent for the resolution	0	0	0
	Total (7+8)	**9**	**1,17,596**	**1.84**

Resolution No		2		
Nature of Resolution		Special Resolution		
Subject Matter		Alteration of Capital Clause of Memorandum of Association.		
S. No.	Particulars	No. of Shareholders	No. of Shares	% to the total shares representing valid votes
a	1. Total Postal ballot form received	93	61,99,514	
	2.Total E-voting options received	12	2,05,013	
	Total (1+2)	**105**	**64,04,527**	
b	Less: Invalid Votes	1	50	
c	3. Net Valid Postal Ballot form	92	61,99,464	96.80
	4.Net Valid E- voting Options	12	2,05,013	3.20
	Total-(3+4)	**104**	**64,04,477**	**100**
d	5. Postal Ballot form with assent of the resolution	81	60,80,858	94.95
	6.E-voting Options with assent for the resolution	12	2,05,013	3.20
	Total (5+6)	**93**	**62,85,871**	**98.15**
e	7.Postal ballot form with dissent for the resolution	11	1,18,606	1.85
	8.E-voting options with dissent for the resolution	0	0	0
	Total (7+8)	**11**	**1,18,606**	**1.85**

Resolution No		3		
Nature of Resolution		Special Resolution		
Subject Matter		Alteration of the Articles of Association of the Company.		
S. No.	Particulars	No. of Shareholders	No. of Shares	% to the total shares representing valid votes
a	1. Total Postal ballot form received	93	61,99,514	
	2.Total E-voting options received	12	2,05,013	
	Total (1+2)	**105**	**64,04,527**	
b	Less: Invalid Votes	3	1,060	
c	3. Net Valid Postal Ballot form	90	61,98,454	96.80

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	4.Net Valid E- voting Options	12	2,05,013	3.20
	Total-(3+4)	**102**	**64,03,467**	**100**
d	5. Postal Ballot form with assent of the resolution	81	60,80,858	94.96
	6.E-voting Options with assent for the resolution	12	2,05,013	3.20
	Total (5+6)	93	62,85,871	98.16
e	7.Postal ballot form with dissent for the resolution	9	1,17,596	1.84
	8.E-voting options with dissent for the resolution	0	0	0
	Total (7+8)	**9**	**1,17,596**	**1.84**

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

Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, your Company provided electronic voting (e-voting) facility to all its members. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

Your Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members / list of beneficiaries as on cut – off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants / Company's Registrar & Share Transfer Agents. Your Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of your Company in the names of the shareholders as on the cut – off date. Members desiring to vote through physical ballot are requested to return the forms, duly completed and signed to as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officials of your Company. The results are displayed on the website of your Company (www.vivimedlabs.com), besides being communicated to the Stock Exchanges and Registrar & Transfer Agents.

The date of declaration of results of Postal Ballot shall be date on which the resolution would be deemed to have been passed, if approved by requisite majority.

DISCLOSURES

1. There are no materially significant related party transactions of your Company which have potential conflict with the interests of the Company at large.

2. Your Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard.

3. Vigil Mechanism and Whistle Blower Policy:

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers, shareholders and business associates in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior;

- Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee and/or a business associate. In accordance with Regulation 22 of the Listing Regulations your Company has adopted a Whistle Blower Policy with an objective to provide its employees and Business Associates a framework and to establish a formal mechanism or process whereby concerns can be raised in line with your Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication;

- In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the

Compliance Officer and the Vice – President – Human Resources for the purpose of receiving and investigating all complaints and Protected Disclosures under this policy. Employees of your Company or business associates can make Protected Disclosures to the Ethics Committee The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Audit Committee of the Board of Directors of the Company; and

- No personnel was denied access to the Audit Committee of your Company.

4. Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of your Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of your Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2015-16. The declaration to this effect signed by Shri.Santosh Varalwar, Managing Director & CEO of the Company forms part of the Report.

5. Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

During the year, Vivimed Labs Limited' Code of Conduct to Regulate, Monitor and Report Trading by Insiders was approved by the Board to conform to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code has been made applicable to cover Directors, Senior Management Personnel, persons forming part of Promoter(s)/ Promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company ("Designated Persons"). The Designated Persons are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company".

6. The Board:

The Non – Executive Chairman of your Company has been provided a Chairman's Office at the Corporate Office of your Company.

7. Shareholder Rights:

Yearly results of your Company are sent to all shareholders of your Company and additionally, your Company uploads its Half yearly, quarterly results on its website (www.vivimedlabs.com). Your Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a periodic basis which are also available on the website of your Company.

8. Audit qualifications:

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

9. Separate posts of Chairman and CEO:

The Chairman of the Board is a Non- executive Director and his position is separate from that of the Managing Director & CEO.

10. Reporting of Internal Auditor:

The Internal Auditor reports to the Managing Director & CEO and has direct access to the Audit Committee and he participates in the meetings of the Audit Committee of the Board of Directors of your Company and presents his internal audit observations to the Audit Committee.

MEANS OF COMMUNICATION

1. Publication of quarterly results:

Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular

language newspaper, viz., Financial Express and Karnataka edition of Samyutka Karnataka newspapers.

2. Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investor relations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. Your Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

4. NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre:

NEAPS is a web-based application designed by NSE for corporates.

BSE Listing is a web-based application designed by BSE for corporates.

All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

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GENERAL SHAREHOLDER INFORMATION

i	Annual General Meeting	28th Annual General Meeting
	Date	Friday, 30th September, 2016
	Time	11:30 a.m.
	Venue	PLOT NO.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.
ii	Financial Calendar:	1st April to 31st March
	Tentative Schedule for declaration of results during the financial year 2016-17	
	First Quarter	Around Second Week of August, 2016
	Second Quarter and Half Yearly	Around Second Week of November 2016
	Third Quarter and Nine Months	Around Second Week of February, 2017
	Fourth Quarter and Annual	Around Last Week of May, 2017
iii	Date of Book closure	September 26, 2016 to September 30, 2016 (both days inclusive)
iv	Dividend Payment Date	-Not Applicable -

V. The details of dividend declared and paid by the Company for the last five years are as below:

Year(s)	Percentage (%)	In ₹ per share (face value of ₹10/- each)*	Dividend Amount (₹ in crores)
2011-2012	30	3.00	4.18
2012-2013	30	3.00	4.81
2013-2014	30	3.00	4.86
2014-2015	NIL	NIL	-
2015-2016	NIL	NIL	-

V. Listing on Stock Exchanges: Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code	ISIN for Depositories
BSE Limited, Phiroze JeeJeebhoy Towers, Dalal street, Mumbai-400 001.	532660	INE526G01021
National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	VIVIMEDLAB	

Your Company has paid the listing fees to BSE and NSE for the financial year 2015-16.

V. 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, 2016 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
2015						
Apr 15	389.50	330.30	2,25,258	388.85	330.70	4,82,917
May 15	374.00	325.80	1,10,936	373.70	327.00	3,47,215
Jun 15	330.00	175.00	9,89,836	330.00	175.00	22,25,187
Jul 15	294.90	187.00	12,05,091	295.20	186.60	29,03,380
Aug 15	323.00	234.70	15,91,568	322.80	232.60	28,44,227
Sep 15	350.00	255.50	15,71,766	350.00	231.00	41,45,231
Oct 15	385.50	320.00	10,61,643	385.00	319.05	23,86,437
Nov 15	439.70	345.50	8,42,527	439.85	344.95	18,08,907
Dec 15	448.50	380.00	8,93,015	447.75	380.45	15,27,717
2016						
Jan 16	485.00	379.00	7,92,837	493.00	375.65	19,65,460
Feb 16	432.00	367.00	3,03,963	432.00	364.00	4,35,993
Mar 16	436.90	396.30	3,14,952	428.35	396.00	5,42,827

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 Vivimed Labs Limited's shares on BSE and NSE.

VIII. Performance in comparison to broad-based Indices

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2015-16 (based on month end closing):

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IX. Registrar & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)
Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500029
Phone : 040-27638111/27634445
Fax : 040-27632184
Email : info@aarthiconultants.com

X. Share Transfer System

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

The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., to the designated officials of your Company. The transactions requiring issuance of new share certificates are approved by the Stake Holders Relationship, Grievance and Share Transfer Committee of the Board of directors of your Company.

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

XI. Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2016 is as follows:

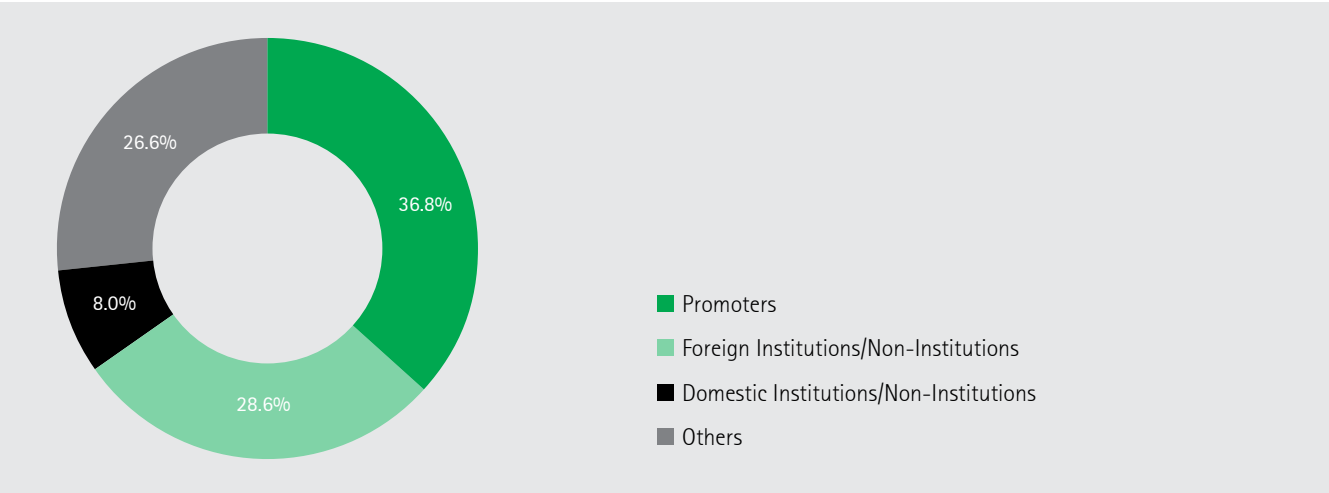
No. of Equity Shares	Shareholders		Number of Shares @ ₹10/-	AMOUNT	AMOUNT PERCENTAGE
	Number	% to total			
1 - 500	6859	90.84	621401	6214010	3.83
501 - 1000	251	3.32	203959	2039590	1.26
1001 - 2000	157	2.08	240255	2402550	1.48
2001 - 3000	66	0.87	168691	1686910	1.04
3001 - 4000	28	0.37	102149	1021490	0.63
4001 - 5000	36	0.48	170651	1706510	1.05
5001 - 10000	50	0.66	347994	3479940	2.15
10001 & Above	104	1.38	14348683	143486830	88.55
TOTAL	**7551**	**100**	**16203783**	**162037830**	**100**

Shareholding pattern as on March 31, 2016

	Category of Shareholder(s)	Total Number of Shares	% of total no. of shares
(A)	Shareholding of Promoter and Promoter Group		
(a)	Individuals/Hindu Undivided Family	3528512	21.78
(b)	Bodies Corporate	2437433	15.04
	Total Shareholding of Promoter and Promoter Group (A)	**5965945**	**36.82**
(B)	Public shareholding		
(1)	Institutions		
(a)	Mutual Funds/ UTI	31698	0.2
(b)	Financial Institutions/ Banks	7195	0.04
(c)	Foreign Portfolio Investors	428866	2.65
(d)	Others	24565	0.15
	Sub-Total (B)(1)	**492324**	**3.04**
	Central Government/ State Government(s)/ President of India	19226	0.12
	Sub-Total (B)(2)	**19226**	**0.12**
	Category of Shareholder(s)		
(2)	Non-Institutions		
(a)	Bodies Corporate	1202790	7.42
(b)	Individuals		
	(i) Individual shareholders holding nominal share capital up to ₹1 lakh	1793386	11.07
	(ii) Individual shareholders holding nominal share capital in excess of	1367982	8.44
	₹1 lakh		
(c)	Non-Resident Indian (NRI) - Repatriable	587682	3.63
(d)	NBFCs Registered with RBI	5500	0.03
(e)	Corporate Bodies - Foreign Bodies	4207121	25.96
(f)	Clearing Member	162573	1
(g)	Foreign National - FN	273968	1.69
(h)	Trust	91456	0.56
(i)	Non-Resident Indian (NRI) – Non Repatriable	33830	0.21
	Sub total(B)(3)	**9726288**	**60.02**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+ (B)(3)	**10237838**	**63.18**
	Total (A)+(B)	**16203783**	**100**

Vivimed

Category-wise shareholding:



Details of your Company's dematerialized shares as on 31st March, 2016:

Number of shares	% of total shares
15892512	98.08

Break up of shares in physical and demat form as on 31st March, 2016:

Particulars	No. of Shares	% of Shares
Physical segment	311271	1.92
Demat segment	15892512	98.08
NSDL	13041537	80.48
CDSL	2850975	17.60
TOTAL	**16203783**	**100.00**

XII. Dematerialization of shares

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

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

Your Company has 5,00,000 (Five Lakhs) outstanding employee stock options convertible into equity shares of ₹10/- each as on 31st March, 2016.

XIV. Plant Locations:

Specialty Chemicals Division

1. Plot No. 78/A, Kolhar Industrial Area, Bidar – 585403, State - Karnataka
2. Survey No. 202, 207/A, 207/E & 207/AA, Bonthapally Village, Narsapur Mandal, Medak District – 502313, State – Telangana

Pharma Division

1. D 125 & 128, Phase III, Jeedimetla Industrial Estate, Hyderabad – 500055, State – Telangana
2. Plot No. 25, Kundeshwari Village, Kashipur, Udham Singh Nagar – 244713, State – Uttaranchal

3. D-9, Industrial Area, Haridwar – 249401, State – Uttranchal

R&D CENTERS

1. R& D Center, Plot No: 181, Sy. No. 121/P, IDA Mallapur, Hyderabad -500076 – Telangana
2. H.No. A-1/ABC. Main Road, Opp: Surana Wires Pvt. Ltd., IDA, Nacharam, Hyderabad-500676, Telangana.

XV. Address for Correspondence:

For any queries relating to the shares of your Company, correspondence may please be addressed to M/s. Aarthi Consultants Private Limited at:

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

For the benefit of shareholders, documents will continue to be accepted at the following Corporate Office of the Company:
Vivimed Labs Limited
(CIN: L02411KA1988PLC009465)
Corporate Off: 2nd Floor, Veeranag Towers,
Habsiguda, Hyderabad – 500007
Tel: 91-40-27176005/27176006
Fax: 91-40-27172242
E-mail: Yugandhar.Kopparthi@vivimedlabs.com
(for investor grievance)
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.

XVI. 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
Tel.: +91 22 2644 9000
Fax: +91 22 2644 9019-22

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

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

XVII. Transfer of unclaimed dividend to Investor Education and Protection Fund:

In terms of Section 123 of the Companies Act, 2013 and Sections 205A, 205C of the Companies Act, 1956 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.

XVIII. We have no equity shares Unclaimed Suspense Account'

Annexure to Report on Corporate Governance for the financial year ended 31st March, 2016

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, 2016.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Hyderabad	**Manohar Rao V**	**Santosh Varalwar**
Date: August 13, 2016	Wholetime Director	*Managing Director*

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
Vivimed Labs Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2016 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;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

Place: Hyderabad	**Pavan Kumar M**	**Ramesh Challa**
Date: August 13, 2016	*CEO*	*CFO*

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Vivimed Labs Limited

We have examined the compliance of conditions of corporate governance by Vivimed Labs Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

for **P.Mulari & Co.,**
Chartered Accountants
Firm registration Number: 007257S

P. Murali Mohan Rao
Partner
Membership Number: 023412

Place: Hyderabad
Date :13/08/2016

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Vivimed Labs Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vivimed Labs Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we further 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 purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 B'; and

g) With respect to 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 on its financial position in its notes to financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2016.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30-05-2016

ANNEXURE A TO THE AUDITORS REPORT

Annexure referred to in Independent Auditors Report to the Members of Vivimed Labs Limited on the standalone financial statements for the year ended 31st March 2016, we report that:

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

(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.

iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.

v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.

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. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues except in few cases, including Provident Fund, Employees' State Insurance, Service Tax, Custom Duty, Excise

Duty and other material statutory dues, as applicable, except few delay in payment with the appropriate authorities in India ;

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2016 for a period of more than 6 months for the date they became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except as given below in respect of Income Tax and Sales Tax:

S.No.	Name of the Statute	Assessment year	Amount in ₹
1	Income Tax Act	Various Assessment years	2,19,35,834
2	VAT & CST	Various Assessment years	6,89,23,348

viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks as at the balance sheet date. However are few delays in payment.

ix. The Company has not raised any moneys by way of initial public officer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30-05-2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls 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 Vivimed Labs Limited ('the company') as of 31st march 2016 in conjunction with our audit of standalone 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") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 martial 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.

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 detailed, 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 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 deducted. 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 in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, 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.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30-05-2016

BALANCE SHEET as at 31st March, 2016

(₹ in Millions)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1		
(i) Equity Share Capital		162.04	162.04
(ii) Preference Share Capital			
(b) Reserves and Surplus	2	3,534.37	3,577.46
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	1,930.32	3,078.07
(b) Deferred Tax Liabilities (Net)	4	325.37	315.48
(c) Other Long Term Liabilities	5	3,210.40	1,228.28
(d) Long Term Provisions	6	33.82	30.10
(3) Current Liabilities			
(a) Short-Term Borrowings	7	2,919.06	2,911.89
(b) Trade Payables	8	244.50	456.09
(c) Other Current Liabilities	9	1,140.83	1,016.63
(d) Short-Term Provisions	10	153.14	251.54
Total		13,653.84	13,027.57
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	11	3,762.35	3,646.61
(ii) Intangible Assets	11	107.03	118.92
(iii) Capital Work-In-Progress	11	408.29	632.72
(b) Non-Current Investments	12	2,300.46	2,300.46
(2) Current Assets			
(a) Inventories	13	2,681.71	2,224.99
(b) Trade Receivables	14	2,308.60	2,280.75
(c) Cash and Bank Balances	15	71.76	139.94
(d) Short-Term Loans and Advances	16	1,954.35	1,623.87
(e) Other Current Assets	17	59.31	59.31
Total		13,653.84	13,027.57

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

For VIVIMED LABS LIMITED

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

Place : Hyderabad
30.05.2016

PROFIT AND LOSS STATEMENT for the year ended 31st March, 2016

(₹ in Millions)

Particulars	Note No.	For the period ended 31.03.2016	For the period ended 31.03.2015
REVENUE:			
Revenue from Operations	18	3,193.94	4,301.48
Other Income	19	9.84	14.34
Total		3,203.77	4,315.82
EXPENSES:			
Cost of Materials Consumed	20	1,246.77	2,511.03
Changes in Inventories	21	68.68	(531.95)
Employee Benefit Expenses	22	239.93	278.83
Other Operating Expenses	23	378.38	512.52
Administrative Expenses	24	408.10	473.87
Financial Costs	25	560.59	623.35
Depreciation and Amortization Expenses	11	187.92	205.60
Total		3,090.38	4,073.27
Profit Before Tax		113.40	242.55
Tax Expense:			
(a) Current tax		22.23	48.53
(b) Deferred tax		9.89	4.67
Profit After Tax		81.28	189.35
Earning Per Equity Share:			
(1) Basic		5.02	11.69
(2) Diluted		4.87	11.34

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Place : Hyderabad
30.05.2016

For VIVIMED LABS LIMITED

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

STANDALONE CASH FLOW for the year ended 31st March, 2016

(₹ in Millions)

Particulars	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary items	113.40	242.55
Add : Adjustment for		
-- Depreciation	176.03	192.39
-- Amortization Expenses	11.89	13.21
-- Financing Charges	154.68	313.02
-- Prior Period Adjustments & Depreciation transfer to RE	34.80	(14.99)
Operating Profit before Working Capital Changes	490.81	746.18
Working Capital changes		
Add / (Less) : (Increase) / Decrease in		
-- Trade Receivables	(27.84)	(442.83)
-- Inventories	(456.72)	(523.67)
-- Loans, Advances & Deposits	(330.48)	275.27
-- Trade Payables	(211.59)	43.38
--Other Current Liabilities	9.00	265.80
--Short term Provisions	(15.31)	48.77
NET CASH FLOWS FROM OPERATING ACTIVITIES	542.14	412.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
--Proceeds from Fixed Assets	(335.90)	2.21
--(Increase) / Decrease in Capital Work in Progress	224.43	(477.58)
--(Increase) / Decrease in Investments	-	(25.00)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(111.46)	(500.37)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
-- Long Term Borrowings	(1,147.75)	165.30
-- Short Term Borrowings	(3.39)	97.97
--Other Long Term Liabilities	1,982.12	320.82
--Share Premium & Others	-	23.72
-- Preference Share Capital & Pending allotment Money	-	(23.72)
--Long Term Provisions	13.60	6.58
--Interest paid	(154.68)	(313.02)
-- Foreign Exchange Fluctuation	(104.48)	(182.83)
NET CASH FLOWS FROM FINANCING ACTIVITIES	585.41	94.83
NET INCREASE IN CASH AND CASH EQUIVALENTS	(68.19)	7.36
Opening Cash and Equivalents	139.95	132.59
Closing Cash and Equivalents	71.76	139.95

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Place : Hyderabad
30.05.2016

For VIVIMED LABS LIMITED

Sd/-
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Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 1	SHARE CAPITAL		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
a	Equity Share Capital		
	(a) Authorised		
	(No. of Shares 4,00,00,000- Current Year)	400.00	400.00
	(No. of Shares 4,00,00,000- Previous Year)		
	(b) Issued		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
	(c) Subscribed & Fully Paid Up		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
	(d) Subscribed & not fully paid up		
	(e) Par Value per share ₹ 10/-		
	Total Equity Share capital	162.04	162.04
b	Preference Share Capital		
	(a) Authorised		
	(No. of Shares 7,10,000- Current Year)	710.00	710.00
	(No. of Shares -7,10,000- Previous Year)		
	(b) Issued	Nil	Nil
	(No. of Shares - NIL Current Year)		
	(No. of Shares NIL - Previous Year)		
	(c) Subscribed & Fully Paid Up	Nil	Nil
	(No. of Shares - NIL Current Year)		
	(No. of Shares NIL - Previous Year)		
	(d) Subscribed & not fully paid up	Nil	Nil
	(e) Par Value per share ₹ 1000/-	Nil	Nil
	Total Preference Share capital	Nil	
	Total Share Capital (Equity & preference)	162.04	162.04
c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of ₹10 Each, Fully paid up		
	At the Beginning	16,203,783	16,203,783
	Issued during the year - Bonus Issue	-	-
	Issued during the year - Cash Issue	-	-
	Equity Shares	-	-
	Warrants converted into shares	-	-
	CCPS Converted into Equity shares	-	-
	Issued during the year - Other than cash	-	-
	Forfeited / Bought Back during the year	-	-
	At the end	16,203,783	16,203,783
d	Preference Shares of ₹1000 Each, Fully paid up		
	At the Beginning	-	-
	Issued during the year - Cash Issue	-	-
	At the end	-	-
e	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	% of Share Holding
	Equity Shares of ₹ 10 each Held By		
	Nylim Jacob Ballas Indis Fund III, LLC - No. Of Shares (21,26,984) (P.Y 2126984)	13.13%	13.13%
	BBR Projects Pvt Ltd - No. Of Shares (CY) 22,96,433 (PY 2014987)	14.17%	12.44%
	KITARA PIIN 1102 - No. Of Shares (C.Y) 18,30,137 (PY 18,30,137)	11.29%	11.29%
	Santosh Varalwar - No. Of Shares (C.Y) 12,19,810 (PY 12,69,810)	7.53%	7.84%

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 2	RESERVES AND SURPLUS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	RESERVES AND SURPLUS		
	a) Capital Reserve	8.57	8.57
	b) Securities Premium Reserve		
	As at the commencement of the year	1,766.60	1,766.60
	Add: Additions during the year		
	Security Premium Reserve at the End of the Year	1,766.60	1,766.60
	c) Revaluation Reserve	10.00	10.00
	d) Capital Subsidy		
	e) General Reserve		
	As at the commencement of the year	167.80	144.08
	Add: Additions during the year		23.72
	General Reserve at the End of the Year	167.80	167.80
	f) Surplus :		
	i) Opening Balance - Profit and Loss Account	1,932.45	1,758.10
	Add: Transfer from Profit & Loss Account	81.28	189.35
	Less: Transfer To General Reserve		
	Less : Depreciation charged to Retained earnings		14.99
		2,013.73	1,932.45
	ii) Proposed Dividend	–	–
		2,013.73	1,932.45
	g) Foreign Currency Translation Reserve	(432.33)	(307.96)
	Total	3,534.37	3,577.46

Note No. : 3	LONG TERM BORROWINGS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Long Term Borrowings (Non Current Portion)		
	a) Secured & Considered Good - - Refer Note No. 3(a)		
	Term Loans From Banks	484.95	1,283.34
	Term Loans From Financial Institutions	947.88	1,325.30
		1,432.83	2,608.64
	b) Unsecured & Considered Good		
	FCCB's From Financial Institutions	497.50	469.43
	Note No. 3 (a): Term Loans secured and considered good from State Bank of Hyderabad, State Bank of India, Allahabad Bank, Industrial Finance Corporation of India, Exim Bank & International Finance Corporation are secured by first pari passu charge on all the present and future fixed assets both movable and immovable properties of the company.		
	Total	1,930.36	3,078.07

Note No. : 4	DEFERRED TAX LIABILITY		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
	Deferred Tax Liability/ (Asset) - Net	325.37	315.48
		325.37	315.48

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 5	OTHER LONG TERM LIABILITIES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	a) Advances from Related Parties & Others - Refer Note No. 37	343.24	429.34
	b) Others	2,867.16	798.94
	Total	3,210.40	1,228.28

Note No. : 6	LONG TERM PROVISIONS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	a) Provisions for Employee Benefits	27.65	26.07
	b) Deferred Payment Liabilities	6.17	4.04
	Total	33.82	30.10

Note No. : 7	SHORT TERM BORROWINGS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Short Term Borrowings		
	Working Capital Loans from Banks - - Refer Note No. 7(a)		
	- Secured & Considered Good		
	a) Cash Credit & Packing Credit Loans	2,836.46	2,743.87
	b) Loan against Foreign Bills Discounting	82.59	168.02
	Total	2,919.06	2,911.89

Note No. : 8	TRADE PAYABLES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Trade Payables		
	Creditors for Supplies & Services	244.50	456.09
	Total	244.50	456.09

Note No. : 9	OTHER CURRENT LIABILITIES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Current Maturities of Long Term Debt	1,127.08	992.56
	Other Liabilities	13.75	24.06
	Total	1,140.83	1,016.63

Note No. : 10	SHORT TERM PROVISIONS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	a) Provision for employee benefits	17.46	34.44
	b) Others	135.69	217.10
	Total	153.14	251.54

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 11 FIXED ASSETS *(₹ in Millions)*

Sl. No.	Particulars	Gross Block				Depreciation Block			Net Block as at 31.03.2016	Net Block as at 01.04.2015
		As at 01.04.2015	Addi-tions Upto 31.03.2016	Capitalised during the period	As at 31.03.2016	As at 01.04.2015	Dep till 31.03.2016	Total Depreciation		
1	Land	872.25			872.25	0.00		0.00	872.25	872.25
2	Building	720.00	67.53	224.43	1,011.97	121.78	20.72	142.50	869.47	598.22
3	Plant & Machinery	2,611.35	0.04		2,611.39	584.20	127.22	713.72	1,897.67	2,027.16
4	Electrical Equipment	68.53			68.53	32.46	7.30	39.76	28.77	36.07
5	Laboratory Equipment	103.99			103.99	30.26	11.23	41.49	62.50	73.73
6	Office Equipment	9.06	0.19		9.25	6.96	0.84	7.80	1.45	2.10
7	Computers	46.88	0.15		47.03	37.23	1.99	39.22	7.82	9.65
8	Furniture	24.66	-		24.66	12.39	2.97	15.36	9.30	12.27
9	Vehicles	42.16	1.72		43.88	27.00	3.76	30.76	13.12	15.16
	Sub-Total	4,498.89	69.64	224.43	4,792.96	852.28	176.03	1,030.61	3,762.35	3,646.61
12	Intangible Assets	163.12			163.12	44.21	11.89	56.10	107.03	118.92
	Sub-Total	163.12	-	-	163.12	44.21	11.89	56.10	107.03	118.92
13	Capital Work In Progress	632.72	(224.43)		408.29			-	408.29	632.72
	Sub-Total	632.72	(224.43)	-	408.29	-	-	-	408.29	632.72
	Total	5,294.73	(154.79)	224.43	5,364.37	896.48	187.92	1,086.70	4,277.67	4,398.25

Note No. : 12 NON-CURRENT INVESTMENTS *(₹ in Millions)*

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Non- Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Unquoted Shares at Cost - Other than Trade	2,300.46	2,300.46
	Total	2,300.46	2,300.46

Note No. : 13 INVENTORIES *(₹ in Millions)*

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Inventories :		
	(a) Raw Materials	1,834.00	1,258.80
	(c) Packing Materials	4.37	35.56
	(b) Semi-finished & Work in process	90.19	233.01
	(c) Finished Goods	730.01	694.42
	(d) Goods - in - Transit	23.15	3.20
	Total	2,681.71	2,224.99

Note No. : 14 TRADE RECEIVABLES *(₹ in Millions)*

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Outstanding for a period exceeding six months		
	Unsecured, Considered Good	571.23	68.42
	Other Receivables:		
	Unsecured, Considered Good	1,737.37	2,212.33
	Total	2,308.60	2,280.75

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 15	CASH AND BANK BALANCES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	51.07	40.78
	b) Cash on hand	0.38	0.33
	Sub Total	51.45	41.11
	c) On Deposit Accounts	20.31	98.84
	Total	71.76	139.94

Note No. : 16	SHORT TERM LOANS AND ADVANCES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Loans & Advances to Related Party		
	Unsecured & Considered Good	951.77	1,083.11
II	Deposits	340.28	290.99
III	Others	662.29	249.77
	Total	1,954.35	1,623.87

Note No. : 17	OTHER CURRENT ASSETS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	MAT Receivable	59.31	59.31
		59.31	59.31

Note No. : 18	REVENUE FROM OPERATIONS		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Revenue from Operations		
	(a) Sale of Products		
	Domestic	1,208.73	2,230.57
	Export	1,984.56	2,069.13
	(b) Other Operating Revenues	0.65	1.78
	Total	3,193.94	4,301.48

Note No. : 19	OTHER INCOME		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Interest on Bank Fixed Deposits	4.54	6.87
	Other Miscellaneous Income	5.30	7.47
	Total	9.84	14.34

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 20	COST OF MATERIALS CONSUMED		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Opening Stock of Raw Materials and Consumables	1,258.80	1,244.03
	Opening Stock of Packing Materials	35.56	34.86
	Add : Purchases during the year	1,790.77	2,526.50
		3,085.13	3,805.39
	Less : Closing Stock of Raw Materials and Consumables	1,834.00	1,258.80
	Less : Closing Stock of Packing Materials	4.37	35.56
	Total	1,246.77	2,511.03

Note No. : 21	CHANGES IN INVENTORIES & WIP		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Finished Goods		
	Inventories at the beginning of the year	694.42	277.60
	Less : Inventories at the end of the year	730.01	694.42
	Sub Total (A)	(35.59)	(416.82)
	Semi Finished Goods & Work in Progress		
	Inventories at the beginning of the year	233.01	123.16
	Less : Inventories at the end of the year	128.74	233.01
	Less : Goods in Transit	-	(5.28)
	Sub Total (B)	104.27	(115.12)
	(Increase) / Decrease in Inventories (A+B)	68.68	(531.95)

Note No. : 22	EMPLOYEE BENEFIT EXPENSES		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	(a) Salaries & Wages	236.47	260.71
	(b) Contribution to Provident Fund & ESI	2.45	2.72
	(c) Bonus	1.02	15.41
	Total	239.93	278.83

Note No. : 23	OTHER OPERATING EXPENSES		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Consumption of Stores & Spares	43.75	63.55
	Power & Fuel	110.28	158.09
	Wages & Allowances	30.06	30.46
	Labour Charges	45.53	38.29
	Repairs to Building	0.66	1.45
	Repairs to Machinery	33.00	27.56
	Other Manufacturing Expenses	40.92	47.60
	Job Work Charges	10.44	34.92
	R & D Expenses	63.75	110.60
	Total	378.38	512.52

Note No. : 24	ADMINISTRATIVE EXPENSES		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Business & Marketing Expenses	15.95	27.77
	Commission & Discounts	16.72	8.36
	Travelling Expenses - Foreign	10.76	15.78
	Printing & Stationery	4.27	4.34
	Telephone & Postage Expenses	6.97	6.29
	Travelling Expenses	23.05	17.14
	Rates & Taxes	4.15	4.31
	Conveyance	12.19	11.16
	Consultancy Charges	50.47	40.88
	Directors' Sitting Fee	0.44	0.36
	Insurance	11.22	26.98
	Rent	12.01	22.31
	Other Administrative Expenses	186.86	140.66
	Bank charges	6.92	13.29
	Processing Fee on Term Loans	27.43	30.07
	Fluctuation on Foreign exchange	(18.04)	69.40
	Directors' Remuneration - Salary	29.00	29.00
	Payment to Auditors:		
	(i) As Auditor	7.73	5.79
	Total	408.10	473.87

Note No. : 25	FINANCE COST		(₹ in Millions)
S.No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
I	(a) Interest Expenses		
	- Interest on Cash Credit	405.91	310.33
	- Interest on Term Loans	112.09	233.69
	- Interest on Vehicle Loan	0.52	0.24
	- Interest on ECB Loan	42.08	79.09
	Total	560.59	623.35

27. EQUITY SHARE CAPITAL AND COMPULSORY CONVERTIBLE PREFERENCE SHARES:

During the FY 2015-2016 there was no issue of shares. However the company passed shareholders resolution on 25.02.2016 for subdivision of equity capital .(1 (One) Equity Share of face value of ₹10/- each into 5 (Five) Equity Shares of ₹2/- Each).

28. EMPLOYEE BENEFITS (GRATUITY & EARNED LEAVE ENCASHMENT):

The details of the Company's post – retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Amounts recognized in the Balance Sheet as at 31-03-2016: (₹ in Millions)

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Present value of obligation as at the end of the year	22.29	20.10	5.46	5.96
2	Value of fund as at the year end			-	-
3	Funded status	(22.29)	(20.10)	(5.46)	(5.96)
4	Unrecognised actuarial gain/losses			-	-
5	Net asset/liability recognised in Balance Sheet	(22.29)	(20.10)	(5.46)	(5.96)

28. EMPLOYEE BENEFITS (GRATUITY & EARNED LEAVE ENCASHMENT): *(contd...)*

b) Expenses recognized in Profit & Loss Account for the year ended 31-03-2016 *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Current Service Cost	2.62	2.79	(0.51)	0.97
2	Interest Cost	1.56	1.23	0.46	0.45
3	Net actuarial gain/ loss recognised in the year	(1.42)	3.77	(0.46)	0.42
4	Expenses recognised in Profit & Loss Account	2.76	(7.79)	(0.50)	1.85

c) Present value of Obligation for the year ended 31-03-2016: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Present Value of the obligation as at the beginning of the year	20.10	13.47	5.96	4.99
2	Interest Cost	1.56	1.23	0.46	0.45
3	Service Cost	2.62	2.79	(0.51)	0.97
4	Benefits Paid	(0.57)	(1.16)	-	(0.73)
5	Actuarial gain/loss on obligations	(1.43)	3.77	(0.46)	0.27
6	Present Value of the obligation as at the end of the year	22.29	20.10	5.46	5.96
	a. Current Liability	4.60	2.92	5.46	5.96
	b. Non-Current Liability	17.69	17.19	-	-

d) Actuarial (Gain) / Loss recognised during the year: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Actuarial (gain)/Loss for the year-Obligation	1.43	(3.77)	(0.27)	(1.97)
2	Total (Gain)/Loss for the year	(1.43)	3.77	0.27	1.97
3	Actuarial (gain)/ loss recognised in the year	(1.43)	3.77	(0.27)	(1.97)

e) Assumptions:

Assumptions made for the purpose of Gratuity & Leave Encashment valuation for the year ended 31-03-2015: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Discount Rate	7.90%	7.80%	7.90%	7.80%
2	Rate of increase in Compensation Levels	2%	2%	2%	2%
3	Rate of Return on plan assets	0%	0%	0%	0%
4	Expected average remaining working lives of employees (years)	22 Yrs	23 Yrs	22 Yrs	25 Yrs

SICK LEAVE ENCASHMENT

a) Amounts recognized in the Balance Sheet as at 31-03-2016: *(₹ in Millions)*

S.No.	Particulars	31-03-2016	31-03-2015
1	Present value of obligation as at the end of the year	2.14	-
2	Fair value of plan provisions as at the end of the year	-	-
3	Funded status	(2.14)	-
4	Unrecognised actuarial gain/losses	-	-
5	Net asset/liability recognised in Balance Sheet	(2.14)	-

b) Expenses recognized in Profit & Loss Account for the year ended 31-03-2016 *(₹ in Millions)*

S.No.	Particulars	31-03-2016	31-03-2015
1	Current Service Cost	2.14	-
2	Interest Cost	-	-
3	Net actuarial gain/ loss recognised in the year	-	-
4	Expenses recognised in Profit & Loss Account	2.14	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

29. TREATMENT OF CAPITAL WORK IN PROGRESS:

Capital Work in Progress includes Cost of Land under development and Plant, Machinery & Equipments under installation.

30. DETAILED INFORMATION REGARDING QUANTITATIVE PARTICULARS UNDER PART II OF SCHEDULE III TO THE COMPANIES ACT, 2013:

i) Quantitative information with regard to

Licensed Capacity and & Installed Capacity per annum.

S.No.	Item	UOM	Quantity
1	Speciality Chemicals	MT	4000
2	Capsules	Million	400
3	Tablets	Million	900
4	Lotions / Liquids	KL	3200
5	Ointments	MT	350
6	Small Volume Parenterals	KL	400
7	Sachets	MT	15

31. PRODUCTION DATA:

Sl. No.	Items	UOM	Quantity	
			2015-16	2014-15
1	Speciality Chemicals	MT	3892.12	2780
2	Capsules	Million	11.23	42
3	Tablets	Million	814.80	89.22
4	Lotions	KL	1860.63	734
5	Ointments	MT	155.81	16.36
6	Sachets	MT	9.38	-
7	Small Volume Parenterals / Others	KL	570.82	334

32. SALES DATA :

Particulars	UOM	Qty.		Value (Million)	
		2015-16	2014-15	2015-16	2014-15
Specialty Chemicals	MT	3780.89	2603.38	2411.34	3494.12
Capsules	Million	23.93	34.51	17.30	139.77
Tablets	Million	807.28	92.09	256.36	147.84
Lotions	KL	1493.80	708.79	197.44	152.15
Ointments	MT	10.75	16.19	0.91	26.20
Small Volume Parenterals	KL	572.00	332.01	300.13	341.41
Others	MT	0.05	6.53	0.91	4.82
Sachets	MT	69.48	-	9.54	-
Total				**3193.93**	**4301.48**

33. OPENING & CLOSING STOCK OF FINISHED GOODS AS AT 31-03-2016:

Particulars	UOM	Opening Stock		Closing Stock	
		Quantity	Value (Millions)	Quantity	Value (Millions)
Specialty Chemicals	MT	286.51	665.58	397.74	669.62
Capsules	Million	17.43	13.42	4.72	5.27
Tablets	Million	1.18	2.48	8.70	54.04
Lotions	KL	38.56	7.68	405.39	115.31
Ointments	MT	5.78	0.34	150.84	2.30
Small Volume Parenterals	KL	7.08	4.92	5.90	4.92
Total			**694.42**		**730.01**

34. CONSUMPTION OF MATERIALS:

S1. No.	Particulars	2015-16		2014-15	
		₹ Millions	% of Consumption	₹ Millions	% of Consumption
1	Indigenous	857.95	80.99%	2122.34	84.54%
2	Imported	201.40	19.01%	388.69	15.48%

35. RELATED PARTY DISCLOSURES: ACCOUNTING STANDARD 18

S.No.	List of Related Parties and Relationships	Country of Incorporation
(i)	Holding Company	
	Vivimed Labs Limited	India
(ii)	Subsidiary Companies	
	1 Octanttis Nobel Labs Pvt Limited, India	India
	2 Creative Health Care Private Limited, India	India
	3 Klar Sehen Private Limited, India	India
	4 Finoso Pharma Private Limited	India
	5 Vivimed Alathur Private Limited	India
	6 Vivimed Holdings Limited, Hong Kong	Hongkong
	7 Vivimed Labs Europe Limited, UK	United Kingdom
	8 Vivimed Lab USA Inc. USA	USA
	9 Vivimed Labs Spain SL	Spain
	10 Union Quimico Farmaceutica SAU, Spain	Spain
	11 Uquifa Mexico S A de C.V	Mexico
	12 Vivimed Labs Mauritius Limited	Mauritius
	13 Holiday International Limited	UK
	14 Vivimed Labs UK Limited	UK
(iii)	Enterprises in which key Management Personnel have significant Influence	
	1 BBR Projects Pvt Ltd	India
	2 Kreative Hosts Atria Pvt. ltd.	India
	3 Yantra Green Power Pvt Ltd	India
(iv)	Key Management Personnel	
	1 Dr. V Manohar Rao	Executive Chairman
	2 Subhash Varalwar	Executive Vice Chairman
	3 Santosh Varalwar	Managing Director
	4 Sandeep Varalwar	Director
	5 S Raghunandan	Director

36. TRANSACTIONS WITH RELATED PARTIES:

(₹ in Millions)

S.No.	Nature of Transactions	2015-16	2014-15
1	Investment in		
	Octanttis Nobel Labs Pvt Limited, India	23.00	23.00
	Creative Health Care Private Limited, India	25.00	25.00
	KlarSehen Private Limited, India	200.00	200.00
	FinosoPharma Private Liimited	100.00	100.00
	Vivimed Labs (Alathur) Private Limited	1220.00	1,220.00
	Vivimed Holdings Limited, Hong Kong	0.07	0.07
	Vivimed Lab USA Inc. USA	246.98	246.98
	Vivimed Labs Mauritius Limited	460.41	460.41
	Yantra green power	25.00	25.00
	Vivimed Speciality Chemicals	0.10	-

36. TRANSACTIONS WITH RELATED PARTIES: *(contd...)*

(₹ in Millions)

S.No.	Nature of Transactions	2015-16	2014-15
2	Loans & Advances given / Repaid		
	Creative Health Care Private Limited	675.89	39.07
	Octanttis Nobel Labs Pvt Limited, India	-	1.06
	KlarSehen Private Limited, India	194.50	24.32
	Finoso Pharma Private Limited	0.23	-
	Vivimed Labs (Alathur) Private Limited	529.61	511
	Vivimed Labs Europe Limited, UK	1.97	-
	Vivimed Labs Mauritius Limited	9.60	-
	Vivimed Labs Spain USL	2.54	-
	Union Quimico Farmaceutica SAU, Spain	3.07	9.62
	Vivimed Labs Spain SL	2.72	69.80
3	Loans & Advances Receivable		
	Creative Health Care Private Limited	43.96	-
	Octanttis Nobel Labs Pvt Ltd,India	56.45	56.45
	Vivimed Holdings Limited, Hong Kong	855.92	855.92
	Vivimed Lab USA Inc. USA	33.15	33.15
	Vivimed Labs Mauritius Limited	125.78	116.18
	Vivimed Labs Spain STL	49.49	60.54
	Vivimed Labs Spain	40.84	40.84
4	Loan & Advance taken /received		
	Creative Health Care Private Limited, India	630.07	74.15
	KlarSehen Private Limited, India	273.29	85.90
	FinosoPharma Private Liimited	0.62	-
	Vivimed Labs (Alathur) Private Limited	86.08	-
	Vivimed Labs Europe Limited, UK	22.96	48.04
	Vivimed Labs Spain STL	13.76	188.31
	Union QuimicoFarmaceutica SAU, Spain	2.98	9.61
	Actavis Pharmaceuticals	-	467.81
	Kreative Hosts Artia Pvt Ltd	-	0.56
	Vivimed Labs Spain USL	63.95	9.65
	BBR Projects Pvt Ltd	-	15.00
5	Loans & Advances Payable		
	Creative Health Care Private Limited, India	-	-1.86
	KlarSehen Private Limited, India	-119.32	-41.00
	FinosoPharma Private Limited	-0.38	-
	VivimedAlathur Private Limited	-155.08	-599
	Vivimed Labs Europe Limited, UK	-89.96	-68.98
	Vivimed Labs Spain USL	-219.35	-157.93
	Union QuimicoFarmaceutica SAU, Spain	-12.18	-12.27
6	Sales & Services to		
	Creative Health Care Private Limited, India	30.87	0.20
	KlarSehen Private Limited, India	8.98	15.91
	Vivimed Labs (Alathur) Private Limited	177.94	-
	Vivimed Labs Europe Limited, UK	912.09	462.57
	Vivimed Lab USA Inc. USA	665.07	231.65
	Union QuimicoFarmaceutica SAU, Spain	64.16	12.03
	Uquifa Mexico S A de C.V	0.23	7.99
	BBR Projects Pvt Ltd	-	2.43
	Kreative Hosts Atria Pvt Ltd	-	0.50

36. TRANSACTIONS WITH RELATED PARTIES: *(contd...)*

(₹ in Millions)

S.No.	Nature of Transactions	2015-16	2014-15
7	Receivable from		
	Creative health care Pvt Ltd	-	6.46
	KlarSehen Private Limited, India	1.43	7.26
	Vivimed Labs (Alathur) Private Limited	-	142.04
	Vivimed Labs Europe Limited, UK	718.74	486.76
	Vivimed Lab USA Inc. USA	613.58	382.07
	Union QuimicoFarmaceutica SAU, Spain	5.42	0.85
	Uquifa Mexico S A de C.V	3.64	3.64
	Kreative Hosts Atria Pvt Ltd	1.5	1.5
8	Purchases from		
	Creative Health Care Private Limited, India	109.97	29.07
	KlarSehen Private Limited, India	6.46	-
	Vivimed Labs Europe Limited, UK	19.11	5.11
	Vivimed Lab USA Inc. USA	2.61	1.14
	Union QuimicoFarmaceutica SAU, Spain	0.02	-
	Kreative Hosts Atria Pvt. ltd.	0.19	-
	BBR Projects Pvt Ltd	68.49	-
9	Payable to		
	Vivimed Labs Europe Limited, UK	80.12	62.58
	Vivimed Lab USA Inc. USA	18.10	15.60
	Kreative Hosts Atria Pvt. ltd.	1.15	0.98
	BBR Projects Pvt Ltd	-11.27	7.01
	Union Quimico Farmaceutica SAU, Spain	0.03	0.01
	Creative Health Care Pvt ltd	52.42	14.18
	Klar Sehen Private Limited, India	23.45	17.00
10	Directors Remuneration		
	Dr. V Manohar Rao	6.00	6.00
	Subhash Varalwar	6.00	6.00
	Santosh Varalwar	6.00	6.00
	Sandeep Varalwar	6.00	6.00
	S Raghunandan	5.00	5.00
	P V Rathnam	0.30	0.80

37. CONTINGENT LIABILITIES:

(₹ in Millions)

Particulars		As at 31.03.2016	As at 31.03.2015
Letter of Credit	Foreign LC's		15.19
	Inland LC's		396.86
	Axis Bank – SBLC	729.66	671.00
Bank Guarantee	State Bank of Hyderabad, Balanagar Branch, Hyderabad.	9.46	4.26

i. Income Tax Demand (Disputed Liability) amounting to Rs 2,19,35,834/- for various Assessment Years.

ii. Sales tax(VAT) demand amounting to Rs 1,03,42,355/- for the AY 2013-2014 & AY 2014-2015.

iii. Sales tax(CST) demand amounting to Rs 15,72,691/- for the AY 2012-2013.

iv. Sales tax(CST) demand amounting to Rs 2,64,35,642/- for the AY 2013-2014

v. Sales tax(CST) demand amounting to Rs 3,05,72,660/- for the AY 2014-2015

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

38. CONTINGENT LIABILITY ON ACCOUNT OF CORPORATE GUARANTEES:

(₹ in Millions)

Name of the Subsidiary	Details of the Lender	As at 31.03.2016	As at 31.03.2015
M/s Vivimed Labs (Alathur) Private Limited	SBH Overseas Branch, Somajiguda	140	140
Vivimed Labs Europe Limited	State Bank of India, London Branch	300.45	300.45
Vivimed Labs Spain S.L.	EXIM Bank	1,073.00	1,050.62
Creative Health care Pvt Ltd	Axis Bank Ltd	Nil	115.00
Vivimed Labs USA Inc.,	ICICI Bank, USA	132.48	106.49
Finoso Pharma Pvt Ltd	SBH, Hyderabad	45	45
Klarsehen Pvt Limited	SBH	75.50	57.50
Klarsehen Pvt Limited	Axis Bank Ltd	50.00	nil
Vivimed Labs UK Ltd	Axis Bank	nil	671
Vivimed Labs Mauritius	Axis Bank	671	Nil

39. Amount of delayed outstanding dues to Micro and Small Enterprise as per MSME Development Act, 2006, could not be ascertained at the end of the Financial Year.

40. FOREIGN EXCHANGE INFLOWS AND OUTFLOW

Particulars	Nature of Currency	2015-16		2014-15	
		Amount in Foreign Currency in Millions	₹ In Million	Amount in Foreign Currency in Millions	₹ in Million
INFLOW					
On Export of Goods	USD	8.92	570.85	22.89	1,398.73
	Euro	2.31	166.58	9.93	770.21
	GBP	-	-	-	-
Foreign Company Term Loan & Interest	USD	0.78	51.26	2.38	143.99
	Euro	-	-	0.30	20.44
	GBP	-	-	0.25	25.63
Working Capital	USD	5.60	369.00	21.20	1,316.35
OUTFLOW					
Raw Material & Capital Goods	USD	4.34	289.11	4.84	295.66
	Euro	0.18	12.88	0.12	9.37
Travelling	GBP	0.00	0.20	-	0.05
	USD	0.03	2.03	0.05	3.61
	Euro	0.03	2.27	0.05	3.61
Foreign Company & Term Loan & Interest	USD	10.22	676.59	6.02	382.40
Others(Analytical Charges, Legal Opinion charges, Registration charges, Commission etc)	USD	0.01	0.48	0.06	3.48
	Euro	0.06	4.14	0.01	0.62
Bank charges	USD	0.01	1.00	0.01	0.85
	Euro	0.00	0.07	-	0.17
Working Capital	USD	5.60	369.00	29.49	1,808.62

41. EARNINGS PER SHARE:

(₹ in Millions)

Particulars		2015-16	2014-15
Net profit after tax		81.28	189.35
Weighted Average Numbers of shares	Nos.	1,62,03,783	1,62,03,783
Basic EPS	(₹)	5.02	11.69
Diluted EPS	(₹)	4.87	11.69

42. The advance given by the company to Yantra Green Power Private Limited amounting to Rs 25 million pertaining to previous years is now treated as an investment in Yantra Green Power Pvt Ltd.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2016

43. SUB-DIVISION OF SHARES.

The Board of Directors of the company with the intention to encourage liquidity have proposed and resolved to Sub divide 1 (One) Equity Share of face value of Rs 10/- each into 5 (Five) Equity Shares of ₹2/- each.

44. SALE OF UNIT AND LAND

a. Vivimed Labs Limited (VLL) which is engaged in the manufacture of various Speciality Chemicals, Dyes and API intermediates under its Chemical segment has entered into an Business Transfer Agreement with M/s CLARIANT INDIA LIMITED (CIL)to transfer one of its Manufacturing units located at Bonthapally, Medak District for a consideration of Rs 380 Crores. As per the agreement CIL would acquire as a slump sale on a going concern basis all the Assets located at Bonthapally along with the technical knowhow for the products manufactured.

b. During the financial year Fy 2015-16, the company has received advance amount of Rs 258.40 crores towards the slump sale consideration from CIL.

c. The ownership of the Assets at the Bonthapally Unit are being held by VLL as on 31st March 2016. The ownership over the assets at the unit will be transferred to CIL during the year Fy 2016-17 after receipt of the total consideration.

d. VLL has not provided for TAX liability on the said Slump sale during Fy 2015-16 as the transaction will be completed in Fy 2016-17.

45. AMALGAMATION

a. Vivimed Labs Limited ('the Company') has entered into a Scheme of Amalgamation with its wholly owned subsidiaries viz., Creative Health Care Private Limited, Klar Sehen Private Limited, Octtantis Nobel Labs Private Limited and Vivimed Labs (Alathur) Private Limited.

b. Description of the Scheme

i. The Scheme of Amalgamation under Section 391-394 of Companies Act, 1956 between Creative Health Care Private Limited, Klar Sehen Private Limited, Octtantis Nobel Labs Private Limited, Vivimed Labs (Alathur) Private Limited and Vivimed Labs Limited and their respective shareholders (hereinafter referred to as 'the Scheme') provides for amalgamation of the aforementioned wholly owned subsidiaries with the Company. The Appointed Date for the amalgamation is April 1, 2014.

ii. The Scheme has been approved by Bombay High Court and is currently pending approval with Karnataka High Court. The amalgamation shall be effective on the date on which the High Court order approving the amalgamation is filed with the jurisdictional Registrar of Companies. Upon the Scheme becoming effective, the entire assets and properties, debts, liabilities, duties and obligations of the wholly owned subsidiaries shall be transferred to the Company retrospectively from the Appointed Date.

c. Consideration

No consideration shall be payable under the Scheme as the Scheme involves amalgamation of the wholly owned subsidiaries with the Company. The entire issued, subscribed and paid up share capital of the subsidiary companies held by the Company shall be cancelled on the effective date of the amalgamation and no new shares shall be issued in lieu of the amalgamation.

d. Accounting

In terms of the Scheme, the Company shall account for the amalgamation in accordance with "Purchase Method" referred in Accounting Standard-14 – Accounting for Amalgamation issued by the Institute of Chartered Accountants of India. Please note, the audited financial statements of the Company as at March 31, 2016 has not considered the effect of amalgamation as the same was not effective as on the date of approval of the financial statements by the Board of Directors.

46. CORPORATE SOCIAL RESPONSIBILITY:

(i) The Company has undertaken CSR activities like providing Water facilities to residents of Jinnarum Mandal located at Bonthapally Village.

47. Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to confirm to Current Year Classification.

48. The numbers have been rounded off to the nearest millions of rupees.

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Place : Hyderabad
30.05.2016

For Vivimed Labs Limited

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

ANNEXURE – A

SEGMENT INFORMATION

(₹ in Millions)

Sl. No	Particulars	Speciality Chemicals		Pharmaceuticals		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	REVENUE						
	External Turnover	2411.34	3,494.11	782.60	807.37	3193.94	4,301.48
	Inter Segment Turnover	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL REVENUE	2411.34	3,494.11	782.60	807.37	3193.94	4,301.48
2	RESULTS						
	Operating Profit	583.53	715.78	77.62	135.78	664.15	851.56
	Interest Expenses	493.31	540.15	67.28	83.20	560.59	623.35
	Interest Income	5.30	11.35	4.54	2.99	9.84	14.34
	Profit Before Tax	98.52	186.98	14.88	55.57	113.40	242.55
	Current Tax	20.49	41.33	1.74	7.20	22.23	48.53
	Deferred Tax	9.88	3.63	0	1.04	9.89	4.67
	Profit After Tax	68.15	142.02	13.13	47.33	81.28	189.35
3	OTHER INFORMATION						
	Segment Assets	12583.90	12,024.99	1069.95	1,002.58	13653.85	13,027.57
	Unallocated Corporate Assets		-		-		-
	Total Assets	12583.90	12,024.99	1069.95	1,002.58	13653.85	13,027.57
	Segment Liabilities	9672.53	9,067.97	274.34	220.10	9946.87	9,288.08
	Unallocated Corporate Liabilities	-	-	-	-	-	-
	Total Liabilities	9672.53	9,067.97	274.34	220.10	9946.87	9,288.08
	Capital Employed	9388.68	8,134.55	2770.81	3,188.92	12159.50	11,323.47
	Capital Expenditure – Net	312.34	484.62	9.60	5.74	321.94	490.36
	Depreciation	157.74	172.02	20.58	20.37	178.32	192.39
	Non cash EXP.Other than Depreciation	11.90	13.21	-	-	11.90	13.21

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Vivimed Labs Limited

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Vivimed Labs Limited** ("the Holding Company"), and its subsidiaries, its jointly controlled entities and associated companies; together referred to as " the Group" comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ' the consolidated financial statements')

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 accounting principles generally accepted in India, of the consolidated state of the Company, as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable 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 purpose 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 by the Company so far as appears from our examination of those books;

   c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt

with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary/joint venture companies incorporated in India, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in ' Annexure A'; and

g) With respect to 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 consolidated financial statement has disclosed the pending litigations which could have impact on its financial position.

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.

Other Matter

We did not audit the financial statements of subsidiary companies which are included in the consolidated financial results, whose financial statements/financial information reflect total assets of ₹ 21,84,76,66,250/- as at 31st March, 2016, total revenue of ₹ 10,63,43,97,867/- for the year ended 31st March, 2016. These included financial statements and other financial information in respect of some subsidiary companies are un audited and have been prepared and furnished to us by the Management of the company, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary companies is based on solely on the reports of the other Auditors.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30-05-2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the 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 2016, we have audited the internal financial controls over financial reporting of **Vivimed Labs Limited** ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary/joint venture companies, which are incorporated in India, 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 (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") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 martial 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.

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 detailed, 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 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 acqusition, 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 deducted. 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 in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, The Holding Company and its subsidiary/ joint venture companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, 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.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30-05-2016

CONSOLIDATED BALANCE SHEET as at 31st March, 2016

(₹ in Millions)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1		
(i) Equity Share Capital		162.04	162.04
(ii) Preference Share Capital		639.46	639.46
(b) Reserves and Surplus	2	5,050.03	4,790.86
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	2,572.69	4,833.82
(b) Defferred Tax Liabilities (Net)	4	106.99	93.71
(c) Other Long Term Liabilities	5	2,895.65	424.38
(d) Long Term Provisions	6	35.73	31.70
(3) Current Liabilities			
(a) Short-Term Borrowings	7	4,077.60	3,893.83
(b) Trade Payables	8	1,667.40	1,887.14
(c) Other Current Liabilities	9	2,858.54	1,763.77
(d) Short-Term Provisions	10	370.56	463.89
Total		20,436.68	18,984.58
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	11	7,149.09	6,962.98
(ii) Intangible Assets	11	992.59	1,171.72
(iii) Capital Work-in-Progress	11	941.69	902.82
(b) Non-Current Investments	12	26.89	27.00
(c) Other Non-Current Assets	13	0.44	0.44
(2) Current Assets			
(a) Inventories	14	4,907.97	4,314.33
(b) Trade Receivables	15	3,262.41	3,295.78
(c) Cash and Bank Balances	16	309.58	266.71
(d) Short-Term Loans and Advances	17	2,728.77	1,852.13
(e) Other Current Assets	18	117.25	190.68
Total		20,436.68	18,984.58

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

For VIVIMED LABS LIMITED

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

Place : Hyderabad
30.05.2016

CONSOLIDATED PROFIT AND LOSS STATEMENT for the year ended 31st March, 2016

(₹ in Millions)

Particulars	Note No.	For the period ended 31.03.2016	For the period ended 31.03.2015
REVENUE:			
Revenue from Operations	19	13,456.30	13,800.99
Other Income	20	108.10	58.66
Total		13,564.40	13,859.65
EXPENSES:			
Cost of Materials Consumed	21	6,096.92	6,993.16
Changes in Inventories (Finished goods and WIP)	22	143.56	(530.92)
Employee Benefit Expenses	23	1,769.42	1,844.28
Other Operating Expenses	24	2,055.65	2,259.63
Administrative Expenses	25	1,069.92	1,065.98
Financial Costs	26	815.66	790.37
Depreciation and Amortization Expenses	11	613.93	661.78
Total		12,565.07	13,084.28
Profit Before Tax		999.32	775.37
Tax Expense:			
(a) Current tax		161.16	152.80
(b) Deferred tax		1.43	(97.93)
Profit After Tax		836.73	720.50
Earning Per Equity Share:			
(1) Basic		51.64	44.47
(2) Diluted		50.09	43.13

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

For VIVIMED LABS LIMITED

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Place : Hyderabad
30.05.2016

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

CONSOLIDATED CASH FLOW for the year ended 31st March, 2016

(₹ in Millions)

Particulars	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary items	999.32	775.37
Add : Adjustment for		
-- Depreciation&Amortization Expenses	613.93	661.78
-- Financing Charges	398.54	568.39
-- Prior Period Adj & Dep to Retained Earnings	6.92	(116.98)
Operating Profit before Working Capital Changes	2,018.72	1,888.55
Working Capital changes		
Add / (Less) : (Increase) / Decrease in		
-- Trade Receivables	(357.92)	(439.22)
-- Inventories	(593.64)	(47.73)
-- Loans, Advances & Deposits (Long Term & Short Term)	280.85	(1,444.55)
--Other Current Assets	45.79	40.43
-- Trade Payables	366.80	242.17
--Other Current Liabilities	(69.72)	1,334.39
--Short term Provisions	(122.67)	(169.30)
--Direct Taxes Paid	(26.97)	
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,541.23	1,404.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
--Proceeds from Fixed Assets	(587.02)	(1,243.91)
--(Increase) / Decrease in Miscellaneous Expenditure	(791.28)	201.80
--(Increase) / Decrease in Investments	(525.93)	(24.98)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,904.23)	(1,067.09)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
-- Long Term Borrowings	(1,171.00)	620.14
--Short term Borrowings	(2.69)	96.07
--Other Long Term Liabilities	1,291.80	70.14
--Share Premium/General Reserve & Others	307.70	20.78
-- Share Capital/Preference Share capital & Pending allotment Money	1,200.43	(23.72)
--Long Term Provisions	13.92	(19.87)
--Interest paid	(398.54)	(568.39)
-- Dividend Paid	(116.65)	-
-- Foreign Exchange Fluctuation	(719.10)	(611.84)
NET CASH FLOWS FROM FINANCING ACTIVITIES	405.88	(416.69)
NET INCREASE IN CASH AND CASH EQUIVALENTS	42.87	(79.02)
Opening Cash and Equivalents	266.71	345.73
Closing Cash and Equivalents	309.58	266.71

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

For VIVIMED LABS LIMITED

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

Place : Hyderabad
30.05.2016

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 1	SHARE CAPITAL		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
a	Equity Share Capital		
	(a) Authorised		
	(No. of Shares 4,00,00,000- Current Year)	400.00	400.00
	(No. of Shares 4,00,00,000- Previous Year)		
	(b) Issued		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
	(c) Subscribed & Fully Paid Up		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
	(d) Subscribed & not fully paid up		
	(e) Par Value per share ₹ 10/-		
	Total Equity Share capital	162.04	162.04
b	Preference Share Capital		
	1 Authorised		
	(a) Vivimed Labs Limited India		
	(No. of Shares 7,10,000- Current Year)	710.00	710.00
	(No. of Shares -7,10,000- Previous Year)		
	(b) Vivimed Labs Mauritius Ltd - WOFS	639.46	639.46
	(No. of Shares 1,25,00,000- Current Year @ US $ 1/- each)		
	(No of Shares - 1,25,00,000 - Previous Year)		
	2 Issued		
	(a) Vivimed Labs Limited India		
	(No. of Shares - NIL Current Year)		-
	(No. of Shares NIL- Previous Year)		
	(b) Vivimed Labs Mauritius Ltd - WOFS	639.46	639.46
	(No. of Shares 1,25,00,000- Current Year @ US $ 1/- each)		
	(No of Shares - 1,25,00,000 - Previous Year)		
	3 Subscribed & Fully Paid Up		
	(a) Vivimed Labs Limited India		
	(No. of Shares - NIL Current Year)		-
	(No of shares 6,70,000 Previous year - Converted into 2126984 equity shares on 22.03.2013)		
	(b) Vivimed Labs Mauritius Ltd - WOFS		
	(No.of Shares 1,25,00,000 -Current Year)		
	(No.of Shares 1,31,70,000 - Previous Year)	639.46	639.46
	(d) Subscribed & not fully paid up		-
	(e) Par Value per share ₹ 1000/- each & US $ 1/- each		
	Total Preference Share capital	639.46	639.46
	Total Share Capital (Equity & preferance)	801.50	801.50
c	A Reconcilation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of ₹10 Each, Fully paid up		
	At the Beginning	162.04	162.04
	Issued during the year - Bonus Issue		-
	Issued during the year - Cash Issue		-
	Equity Shares		
	Warrants converted into shares		-
	CCPS Converted into Equity shares		
	Issued during the year - Other than cash		-
	Forfeited / Bought Back during the year		
	At the end	162.04	162.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 1	SHARE CAPITAL			(₹ in Millions)
S.No.	Particulars		As at 31.03.2016	As at 31.03.2015
d	Preference Shares of ₹1000 Each, Fully paid up			
	At the Beginning		-	-
	Issued during the year - Cash Issue		-	-
	At the end		-	-
e	Details of Shareholder holding more than 5% shares of the company:		% of Share Holding	% of Share Holding
	Equity Shares of ₹ 10 each Held By			
	Nylim Jacob Ballas Indis Fund III, LLC - No. Of Shares (21,26,984)	(P.Y 2126984)	13.13%	13.13%
	BBR Projects Pvt Ltd - No. Of Shares (CY) 22,96,433	(PY 2014987)	14.17%	12.44%
	KITARA PIIN 1102 - No. Of Shares (C.Y) 18,30,137	(PY 18,30,137)	11.29%	11.29%
	Santosh Varalwar - No. Of Shares (C.Y) 12,19,810	(PY 12,69,810)	7.53%	7.84%
	Vivimed Labs Limited - No. Of Shares (C.Y) 1,62,03,783	(Previous Year 1,62,03,783)		

Note No. : 2	RESERVES AND SURPLUS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	RESERVES AND SURPLUS		
	a) Capital Reserve	8.57	8.57
	b) Securities Premium Reserve		
	As at the commencement of the year	1,766.60	1,766.60
	Add: Additions during the year		
	Security Premium Reserve at the End of the Year	1,766.60	1,766.60
	c) Revaluation Reserve	10.00	10.00
	d) Capital Subsidy	3.00	3.00
	e) General Reserve		
	Opening Balance	141.16	117.44
	Add: Additions during the year	0.00	23.72
	General Reserve at the End of the Year	141.16	141.16
	f) Profit & Loss Account :		
	Opening Balance	3,785.02	3,181.50
	Add: Profit for the Year	836.73	720.50
	Less :Transfer To General Reserve		
	Prior period adjustment	50.28	116.98
		4,571.47	3,785.02
	Proposed Dividend	–	–
		4,571.47	3,785.02
	g) Foreign Currency Translation Reserve	(1,450.77)	(923.50)
	Total	5,050.03	4,790.86

Note No. : 3	LONG TERM BORROWINGS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Long Term Borrowings (Non Current Portion)		
	a) Secured & Considered Good - - Refer Note No. 3(a)		
	Term Loans From Banks	835.32	2,348.51
	Term Loans From Financial Institutions	1,232.18	2,015.88
		2,067.50	4,364.38
	b) Unsecured & Considered Good		
	FCCB's From Financial Institutions	497.50	469.43
	Other Loans	7.70	-
	Note No.3(a): Term Loans secured and considered good from State Bank of Hyderabad, State Bank of India, Axis Bank, Exim Bank & International Finance Corporation are secured by first pari passu charge on all the present and future fixed assets both movable and immovable properties of the company.		
	Total	2,572.69	4,833.82

Note No. : 4	DEFERRED TAX LIABILITY		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
	Deferred Tax Liability/ (Asset) - Net	106.99	93.71
		106.99	93.71

Note No. : 5	OTHER LONG TERM LIABILITIES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
	a) Deferred Payment Liabilities and Others	2,895.65	424.38
	Total	2,895.65	424.38

Note No. : 6	LONG TERM PROVISIONS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	a) Provisions for Employee Benefits		
	- Provision for Gratuity/ Leave Encashment & Expenses	29.56	27.66
	b) Deffered Payment Laibiliteies		
	Sales Tax Deferement	4.04	4.04
	Total	35.73	31.70

Note No. : 7	SHORT TERM BORROWINGS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Short Term Borrowings		
	Working Capital Loans from Banks - Refer Note No.7(a)		
	- Secured & Considered Good		
	a) Cash Credit & Packing Credit	3,960.31	3,646.52
	b) Foreign Bills Discounting	84.03	168.02
	c) Others	33.25	79.29
	Note No. 7(a): All the Working Capital loans from State Bank of Hyderabad, Bank of Bahrain & Kuwait, State Bank of India & Exim Bank, BBVA, Bank Sabadell, ICICI Bank, Santander Bank, Axis Bank, Yes Bank, UCO Bank & SBI London are secured by pari passu first charge on all the Current Assets and second charge on all Fixed Assets of the company both present & future.		
	Total	4,077.60	3,893.83

Note No. : 8	TRADE PAYABLES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Trade Payables		
	Creditors for Supplies, Services & Others	1,667.40	1,887.14
	Total	1,667.40	1,887.14

Note No. : 9	OTHER CURRENT LIABILITIES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Current Maturities of Long Term Debt	2,277.64	1,390.72
	Other Liabilities	580.90	373.05
	Total	2,858.54	1,763.77

Note No. : 10	SHORT TERM PROVISIONS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	a) Provision for employee benefits	22.14	38.74
	b) Provision for Income Tax	267.19	195.13
	c) Provision for Expenses	81.23	230.02
	Total	370.56	463.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 11 FIXED ASSETS *(₹ in Millions)*

Sl. No.	Particulars	Gross Block					Depreciation Block					Net Block	
		As at 01.04.2015	Additions till 31.03.2016	apitalised during the year	Sale / Deletions during the year	As on 31.03.2016	As at 01.04.2015	Dep for FY 16	Dep & Amt to be charged to retained earnings	Sale or Deletions	Total Depreciation	Net Block as on 31.03.2016	Net Block as on 01.04.2015
		a	b	c	d	e=a+b-c-d	f	g	i=g+h	j	k=f+i-j	l=e-k	m=a-f
1	Free Hold Land	1,288.36				1,288.36	25.17				25.17	1,263.19	1,263.19
2	Lease Hold Land	0.26	4.84			5.10	0.07	0.00	0.00	-	0.07	5.03	0.19
3	Building	1,754.53	130.32	224.43		2,109.28	415.35	57.20	57.20	-	472.54	1,636.73	1,339.18
4	Plant & Machinery	10,420.26	397.65		40.76	10,777.15	6,351.89	438.20	438.20	(21.16)	6,811.24	3,965.91	4,068.37
5	Electrical Equipment	110.65	0.28			110.93	54.93	8.99	8.99	-	63.93	47.00	55.71
6	Laboratory Equipment	201.08	17.81			218.89	86.03	17.52	17.52	-	103.54	115.35	115.05
7	Office Equipment	33.00	1.00		0.02	33.98	18.43	2.14	2.14	-	20.56	13.42	14.58
8	Computers	318.14	27.86		6.24	339.76	293.12	15.60	15.60	(0.00)	308.73	31.03	25.02
9	Furniture	197.03	6.36			203.39	141.24	12.69	12.69	-	153.92	49.47	55.79
10	Vehicle	72.60	3.03		1.21	74.42	46.73	6.98	6.98	(0.09)	53.80	20.61	25.87
11	Books & Periodicals	0.04				0.04	0.02	0.00	0.00	-	0.02	0.02	0.02
12	Data Processing Equipment	1.92	1.63			3.54	1.90	0.30	0.30	-	2.21	1.33	0.01
13	Lease hold Improvements	2.45				2.45	2.45	-	-	-	2.45	-	-
	Sub Total (a)	14,400.31	590.78	224.43	48.23	15,167.28	7,437.32	559.62	559.62	(21.25)	8,018.19	7,149.09	6,962.98
12	Capital Work in Progress	902.82	391.40	342.55	9.97	941.69	-	-			-	941.69	902.82
	Sub Total (b)	902.82	391.40	342.55	9.97	941.69	-	-	-	-	-	941.69	902.82
13	Intangibles	1,590.83	10.95	135.41	0.37	1,466.01	419.11	54.31	54.31		473.42	992.59	1,171.72
	Sub Total (c)	1,590.83	10.95	135.41	0.37	1,466.01	419.11	54.31	54.31	-	473.42	992.59	1,171.72
	Total (a+b+c)	16,893.95	993.13	702.40	58.57	17,574.98	7,856.43	613.93	613.93	(21.25)	8,491.61	9,083.37	9,037.52

Note No. : 12	NON-CURRENT INVESTMENTS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Non- Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Investment in Mutual Funds & National Savings Certificates	-	2.00
	Investment in Yantra green power at Standalone level	26.89	25.00
	Total	26.89	27.00

Note No. : 13	OTHER NON-CURRENT ASSETS		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Preliminary expenses	0.44	0.44
	Total	0.44	0.44

Note No. : 14	INVENTORIES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Inventories :		
	(a) Loose Tools & Equipment		
	(b) Raw Materials	2,655.52	1,932.38
	(c) Packing Materials	63.50	93.22
	(d) Work in Process & Intermediates	709.39	653.43
	(e) Finished Goods	1,590.60	1,652.09
	(f) Goods - in - Transit & Stock in Provisions	(111.04)	(16.79)
	Total	4,907.97	4,314.33

Note No. : 15	TRADE RECEIVABLES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Outstanding for a period exceeding six months		
	Unsecured, Considered Good		173.91
	Other Receivables:		
	Unsecured, Considered Good	3,262.41	3,121.87
	Total	3,262.41	3,295.78

Note No. : 16	CASH AND BANK BALANCES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Cash and cash eqivalents :		
	a) Balances with banks :		
	1) On Current Accounts	307.15	165.39
	b) Cash on hand	2.43	2.48
	Sub Total	309.58	167.87
	Margin Money Deposit	-	98.84
	Total	309.58	266.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 17	SHORT TERM LOANS AND ADVANCES		(₹ in Millions)
S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
I	Advances to Suppliers for Capital Goods	25.21	116.61
		25.21	116.61
II	Deposits	536.72	440.35
III	Others	2,166.84	1,295.18
	Total	2,728.77	1,852.13

Note No. : 18	OTHER CURRENT ASSETS		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Interest Accrued on Deposits		-
I	MAT Receivable	59.31	59.31
II	Others	57.94	131.36
	Total	117.25	190.68

Note No. : 19	REVENUE FROM OPERATIONS		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Revenue from Operations		
	(a) Sale of Products		
	Domestic	4,340.04	5,006.29
	Export	9,114.29	8,788.63
	(b) Other Operating Revenues	1.97	6.07
		13,456.30	13,800.99
	Total	13,456.30	13,800.99

Note No. : 20	OTHER INCOME		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Other Miscellaneous Income	108.10	58.66
	Total	108.10	58.66

Note No. : 21	COST OF MATERIALS CONSUMED		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Opening Stock of Raw Materials and Consumables	1,932.38	2,108.95
	Opening Stock of Packing Materials	93.22	78.36
	Add : Purchases during the year	6,790.34	6,831.44
		8,815.94	9,018.76
	Less : Closing Stock of Raw Materials and Consumables	2,655.52	1,932.38
	Less : Closing Stock of Packing Materials	63.50	93.22
	Total	6,096.92	6,993.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

Note No. : 22	CHANGES IN INVENTORIES & WIP		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Finished Goods		
	Opening Stock	1,652.09	1,313.35
	Less : Closing Stock	1,590.60	1,652.09
	Sub Total (A)	61.49	(338.75)
	Semi Finished Goods & Work in Progress		
	Opening Stock	653.43	713.66
	Less : Closing Stock	709.39	653.43
	Less : Goods in Transit		-
	Sub Total (B)	(55.96)	60.23
	Goods in Transit		
	Opening Stock	1.92	-
	Less : Closing Stock	13.05	1.92
	Sub Total (B)	(11.13)	(1.92)
	Stock in Trade	75.16	
	Fluctuation in Foreing Exchange	74.01	(250.48)
	(Increase) / Decrease in Inventories (A+B)	143.56	(530.92)

Note No. : 23	EMPLOYEE BENEFIT EXPENSES		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	(a) Salaries & Wages & Bonus	1,729.82	1,803.72
	(b) Staff Welfare Expenses	39.60	40.56
	- Staff Training Expenses & Others	9.55	6.49
	- Staff Recruitment Expenses	30.05	34.08
	Total	1,769.42	1,844.28

Note No. : 24	OTHER OPERATING EXPENSES		(₹ in Millions)
S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Consumption of Stores & Spares	171.15	174.96
	Power & Fuel	382.58	467.01
	Wages & Allowances	30.06	30.46
	Labour Charges	153.84	151.87
	Repairs to Building	8.25	5.96
	Repairs to Machinery	206.29	203.25
	Other Manufacturing Expenses	453.04	514.96
	Job Work Charges	22.23	34.92
	R & D Expenses	628.22	676.24
	Total	2,055.65	2,259.63

Note No. : 25 ADMINISTRATIVE EXPENSES (₹ in Millions)

S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	Business & Marketing Expenses	98.95	109.42
	Commission & Discounts	77.43	105.97
	Travelling Expenses - Foreign	45.87	46.34
	Other Selling Expenses	32.19	37.48
	Printing & Stationery	13.79	14.04
	Telephone & Postage Expenses	27.03	26.70
	Travelling Expenses	34.74	40.13
	Rates & Taxes	73.16	68.32
	Conveyance	32.40	11.94
	Consultancy Charges	149.45	142.52
	Directors' Sitting Fee	1.15	0.36
	Insurance	47.55	69.77
	Rent	49.41	43.79
	Other Administrative Expenses	456.85	278.68
	Other Borrowing Costs & Bank charges	20.84	34.42
	Processing Fee on Term Loans	16.05	37.19
	Fluctuation on Foreign exchange	(128.19)	(21.55)
	Payment to Auditors:		
	(i) As Auditor	18.13	17.87
	(ii) For Taxation Matters	3.09	2.58
	Total	1,069.92	1,065.98

Note No. : 26 FINANCE COST (₹ in Millions)

S.No.	Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
I	(a) Interest Expenses		
	- Interest on Cash Credit	417.12	373.19
	- Interest on Term Loans	298.30	358.19
	- Interest on Vehicle Loan	3.00	0.46
	- Interest on ECB Loan & Others	97.24	58.53
	Total	815.66	790.37

27. EQUITY SHARE CAPITAL AND COMPULSORY CONVERTIBLE PREFERENCE SHARES:

During the FY 2015-2016 there was no issue of shares. However there was a reclassification of authorised preference capital worth ₹ 200 million to authorised equity share capital.

28. EMPLOYEE BENEFITS (GRATUITY & EARNED LEAVE ENCASHMENT):

The details of the Company's post – retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Amounts recognized in the Balance Sheet as at 31-03-2016: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Present value of obligation as at the end of the year	22.29	20.10	5.46	5.96
2	Value of fund as at the year end			-	-
3	Funded status	(22.29)	(20.10)	(5.46)	(5.96)
4	Unrecognised actuarial gain/losses			-	-
5	Net asset/liability recognised in Balance Sheet	(22.29)	(20.10)	(5.46)	(5.96)

b) Expenses recognized in Profit & Loss Account for the year ended 31-03-2016 *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Current Service Cost	2.62	2.79	(0.51)	0.97
2	Interest Cost	1.56	1.23	0.46	0.45
3	Net actuarial gain/ loss recognised in the year	(1.42)	3.77	(0.46)	0.42
4	Expenses recognised in Profit & Loss Account	2.76	7.80	(0.50)	1.85

c) Present value of Obligation for the year ended 31-03-2016: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Present Value of the obligation as at the beginning of the year	20.10	13.47	5.96	4.99
2	Interest Cost	1.56	1.23	0.46	0.45
3	Service Cost	2.62	2.79	(0.51)	0.97
4	Benefits Paid	(0.57)	(1.16)	-	(0.88)
5	Actuarial gain/loss on obligations	(1.43)	3.77	(0.46)	0.42
6	Present Value of the obligation as at the end of the year	22.29	20.10	5.46	5.96
	a. Current Liability	4.60	2.91	5.46	5.96
	b. Non-Current Liability	17.69	17.18	-	-

d) Actuarial (Gain) / Loss recognised during the year: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Actuarial (gain)/Loss for the year-Obligation	1.43	(3.77)	(0.27)	(1.97)
2	Total (Gain)/Loss for the year	(1.43)	3.77	0.27	1.97
3	Actuarial (gain)/ loss recognised in the year	(1.43)	3.77	(0.27)	(1.97)

28. EMPLOYEE BENEFITS (GRATUITY & EARNED LEAVE ENCASHMENT): *(contd...)*

e) Assumptions:

Assumptions made for the purpose of Gratuity & Leave Encashment valuation for the year ended 31-03-2015: *(₹ in Millions)*

S.No.	Particulars	Gratuity		Leave Encashment	
		2015-16	2014-15	2015-16	2014-15
1	Discount Rate	7.90%	7.80%	7.90%	7.80%
2	Rate of increase in Compensation Levels	2%	2%	2%	2%
3	Rate of Return on plan assets	0%	0%	0%	0%
4	Expected average remaining working lives of employees (years)	22Yrs	23Yrs	22Yrs	25Yrs

SICK LEAVE ENCASHMENT

a) Amounts recognized in the Balance Sheet as at 31-03-2016: *(₹ in Millions)*

S.No.	Particulars	31-03-2016	31-03-2015
1	Present value of obligation as at the end of the year	2.14	-
2	Fair value of plan provisions as at the end of the year	-	-
3	Funded status	(2.14)	-
4	Unrecognised actuarial gain/losses	-	-
5	Net asset/liability recognised in Balance Sheet	(2.14)	-

b) Expenses recognized in Profit & Loss Account for the year ended 31-03-2016 *(₹ in Millions)*

S.No.	Particulars	31-03-2016	31-03-2015
1	Current Service Cost	2.14	-
2	Interest Cost	-	-
3	Net actuarial gain/ loss recognised in the year	-	-
4	Expenses recognised in Profit & Loss Account	2.14	-

29. TREATMENT OF CAPITAL WORK IN PROGRESS:

Capital Work in Progress includes Cost of Land under acquisition and Plant, Machinery &Equipments under installation.

30. DETAILED INFORMATION REGARDING QUANTITATIVE PARTICULARS UNDER PART II OF SCHEDULE III TO THE COMPANIES ACT, 2013:

i) Quantitative information with regard to

Licensed Capacity and & Installed Capacity per annum.

S.No.	Item	UOM	Quantity
1	Speciality Chemicals	MT	4000
2	Capsules	Million	145
3	Tablets	Million	1290
4	Lotions	KL	3200
5	Ointments	MT	350
6	Small Volume Parenterals	KL	889
7	Sachets	MT	15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

31. PRODUCTION DATA:

Sl. No.	Items	UOM	Quantity	
			2015-16	2014-15
1	Speciality Chemicals	MT	3892.12	2780
2	Capsules	Million	11.23	42
3	Tablets	Million	814.80	89.22
4	Lotions	KL	1860.63	734
5	Ointments	MT	155.81	16.36
6	Sachets	MT	9.38	-
7	Small Volume Parenterals	KL	570.82	334

32. SALES DATA :

Particulars	UOM	Qty.		Value (Million)	
		2015-16	2014-15	2015-16	2014-15
Specialty Chemicals	MT	3780.89	2603.38	2411.34	3494.12
Capsules	Million	23.93	34.51	17.30	139.77
Tablets	Million	807.28	92.09	256.36	147.84
Lotions	KL	1493.80	708.79	197.44	152.15
Ointments	MT	10.75	16.19	0.91	26.20
Small Volume Parenterals	KL	572.00	332.01	300.13	341.41
Others	MT	0.05	6.53	0.91	-
Sachets	MT	69.48	-	9.54	-
Total				3193.93	4301.48

33. OPENING & CLOSING STOCK OF FINISHED GOODS AS AT 31-03-2016:

Particulars	UOM	Opening Stock		Closing Stock	
		Quantity	Value (Millions)	Quantity	Value (Millions)
Specialty Chemicals	MT	286.51	665.58	397.74	669.62
Capsules	Million	17.43	13.42	4.72	5.27
Tablets	Million	1.18	2.48	8.70	54.04
Lotions	KL	38.56	7.68	405.39	115.31
Ointments	MT	5.78	0.34	150.84	2.30
Small Volume Parentals	KL	7.08	4.92	5.90	4.92
Total			694.42		730.01

34. CONSUMPTION OF MATERIALS:

Sl. No.	Particulars	2015-16		2014-15	
		₹ Millions	% of Consumption	₹ Millions	% of Consumption
1	Indigenous	857.95	80.99%	2122.34	84.52%
2	Imported	201.40	19.01%	388.69	15.48%

35. RELATED PARTY DISCLOSURES: ACCOUNTING STANDARD 18

S.No.		List of Related Parties and Relationships	Country of Incorporation
(i)		Holding Company	
		Vivimed Labs Limited	India
(ii)		Subsidiary Companies	
	1	Octanttis Nobel Labs Pvt Limited, India	India
	2	Creative Health Care Private Limited, India	India
	3	Klar Sehen Private Limited, India	India
	4	Finoso Pharma Private Limited	India
	5	Vivimed Alathur Private Limited	India
	6	Vivimed Holdings Limited, Hong Kong	Hongkong
	7	Vivimed Labs Europe Limited, UK	United Kingdom
	8	Vivimed Lab USA Inc. USA	USA
	9	Vivimed Labs Spain SL	Spain
	10	Union Quimico Farmaceutica SAU, Spain	Spain
	11	Uquifa Mexico S A de C.V	Mexico
	12	Vivimed Labs Mauritius Limited	Mauritius
	13	Holiday International Limited	UK
	14	Vivimed Labs UK Limited	UK
(iii)		Enterprises in which key Management Personnel have significant Influence	
	1	BBR Projects Pvt Ltd	India
	2	Kreative Hosts Atria Pvt. ltd.	India
	3	Yantra Green Power Pvt Ltd	India
(iv)		Key Management Personnel	
	1	Dr. V Manohar Rao	Executive Chairman
	2	Subhash Varalwar	Executive Vice Chairman
	3	Santosh Varalwar	CEO & Managing Director
	4	Sandeep Varalwar	Director
	5	S Raghunandan	Director

36. TRANSACTIONS WITH RELATED PARTIES:

(₹ in Millions)

S.No.	Nature of Transactions	2015-16	2014-15
1	Investment in		
	Octanttis Nobel Labs Pvt Limited, India	23.00	23.00
	Creative Health Care Private Limited, India	25.00	25.00
	KlarSehen Private Limited, India	200.00	200.00
	FinosoPharma Private Liimited	100.00	100.00
	VivimedAlathur Private Limited	1220.00	1,220.00
	Vivimed Holdings Limited, Hong Kong	0.07	0.07
	Vivimed Lab USA Inc. USA	246.98	246.98
	Vivimed Labs Mauritius Limited	460.41	460.41
	Yantra green power	25.00	25.00
	Vivimed Speciality Chemicals	0.10	-

36. TRANSACTIONS WITH RELATED PARTIES: *(contd...)*

(₹ in Millions)

S.No.	Nature of Transactions	2015-16	2014-15
2	Loans & Advances given / Repaid		
	Creative Health Care Private Limited	675.89	39.07
	Octanttis Nobel Labs Pvt Limited, India	-	1.06
	KlarSehen Private Limited, India	194.50	24.32
	Finoso Pharma Private Limited	0.23	-
	VivimedAlathur Private Limited	529.61	511
	Vivimed Labs Europe Limited, UK	1.97	-
	Vivimed Labs Mauritius Limited	9.60	-
	Vivimed Labs Spain USL	2.54	-
	Union Quimico Farmaceutica SAU, Spain	3.07	9.62
	Vivimed Labs Spain SL	2.72	69.80
3	Loans & Advances Receivable		
	Creative Health Care Private Limited	43.96	-
	Octanttis Nobel Labs Pvt Ltd,India	56.45	56.45
	Vivimed Holdings Limited, Hong Kong	855.92	855.92
	Vivimed Lab USA Inc. USA	33.15	33.15
	Vivimed Labs Mauritius Limited	125.78	116.18
	Vivimed Labs Spain STL	49.49	60.54
	Vivimed Labs Spain	40.84	40.84
4	Loan & Advance taken /received		
	Creative Health Care Private Limited, India	630.07	74.15
	KlarSehen Private Limited, India	273.29	85.90
	FinosoPharma Private Liimited	0.62	-
	VivimedAlathur Private Limited	86.08	-
	Vivimed Labs Europe Limited, UK	22.96	48.04
	Vivimed Labs Spain STL	13.76	188.31
	Union QuimicoFarmaceutica SAU, Spain	2.98	9.61
	Actavis Pharmaceuticals	-	467.81
	Kreative Hosts Artia Pvt Ltd	-	0.56
	Vivimed Labs Spain USL	63.95	9.65
	BBR Projects Pvt Ltd	-	15.00
5	Loans & Advances Payable		
	Creative Health Care Private Limited, India	-	-1.86
	KlarSehen Private Limited, India	-119.32	-41.00
	FinosoPharma Private Limited	-0.38	-
	VivimedAlathur Private Limited	-155.08	-599
	Vivimed Labs Europe Limited, UK	-89.96	-68.98
	Vivimed Labs Spain USL	-219.35	-157.93
	Union QuimicoFarmaceutica SAU, Spain	-12.18	-12.27
6	Sales & Services to		
	Creative Health Care Private Limited, India	30.87	0.20
	KlarSehen Private Limited, India	8.98	15.91
	Vivimed Alathur Pvt Ltd	177.94	-
	Vivimed Labs Europe Limited, UK	912.09	462.57
	Vivimed Lab USA Inc. USA	665.07	231.65
	Union QuimicoFarmaceutica SAU, Spain	64.16	12.03
	Uquifa Mexico S A de C.V	0.23	7.99
	BBR Projects Pvt Ltd	-	2.43
	Kreative Hosts Atria Pvt Ltd	-	0.50

36. TRANSACTIONS WITH RELATED PARTIES: *(contd...)*

(₹ in Millions)

S.No.	Nature of Transactions	2015-16	2014-15
7	Receivable from		
	Creative health care Pvt Ltd	-	6.46
	KlarSehen Private Limited, India	1.43	7.26
	Vivimed Labs Alathur Pvt Ltd	-	142.04
	Vivimed Labs Europe Limited, UK	718.74	486.76
	Vivimed Lab USA Inc. USA	613.58	382.07
	Union QuimicoFarmaceutica SAU, Spain	5.42	0.85
	Uquifa Mexico S A de C.V	3.64	3.64
	Kreative Hosts Atria Pvt Ltd	1.5	1.5
8	Purchases from		
	Creative Health Care Private Limited, India	109.97	29.07
	KlarSehen Private Limited, India	6.46	-
	Vivimed Labs Europe Limited, UK	19.11	5.11
	Vivimed Lab USA Inc. USA	2.61	1.14
	Union QuimicoFarmaceutica SAU, Spain	0.02	-
	Kreative Hosts Atria Pvt. ltd.	0.19	-
	BBR Projects Pvt Ltd	68.49	-
9	Payable to		
	Vivimed Labs Europe Limited, UK	80.12	62.58
	Vivimed Lab USA Inc. USA	18.10	15.60
	Kreative Hosts Atria Pvt. ltd.	1.15	0.98
	BBR Projects Pvt Ltd	-11.27	7.01
	Union Quimico Farmaceutica SAU, Spain	0.03	0.01
	Creative Health Care Pvt ltd	52.42	14.18
	Klar Sehen Private Limited, India	23.45	17.00
10	Directors Remuneration		
	Dr. V Manohar Rao	6.00	6.00
	Subhash Varalwar	6.00	6.00
	Santosh Varalwar	6.00	6.00
	Sandeep Varalwar	6.00	6.00
	S Raghunandan	5.00	5.00

37. CONTINGENT LIABILITIES:

(₹ in Millions)

Particulars		As at 31.03.2016	As at 31.03.2015
Letter of Credit	Foreign LC's		15.189
	Inland LC's		396.87
	Axis Bank – SBLC	729.66	688.50
Bank Guarantee	State Bank of Hyderabad, Balanagar Branch, Hyderabad.	9.46	4.26

i) Income Tax Demand (Disputed Liability) amounting to Rs 2,19,35,834/- for various Assessment Years.

ii) Sales tax(VAT) demand amounting to Rs 1,03,42,355/- for the AY 2013-2014 & AY 2014-2015.

iii) Sales tax(CST) demand amounting to Rs 15,72,691/- for the AY 2012-2013.

iv) Sales tax(CST) demand amounting to Rs 2,64,35,642/- for the AY 2013-2014

v) Sales tax(CST) demand amounting to Rs 3,05,72,660/- for the AY 2014-2015

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

38. CONTINGENT LIABILITY ON ACCOUNT OF CORPORATE GUARANTEES:

(₹ in Millions)

Name of the Subsidiary	Details of the Lender	As at 31.03.2016	As at 31.03.2015
M/s Vivimed Labs (Alathur) Private Limited	SBH Overseas Branch, Somajiguda	140	140
Vivimed Labs Europe Limited	State Bank of India, London Branch	300.45	300.45
Vivimed Labs Spain S.L.	EXIM Bank	1,073.00	1,050.62
Creative Health care Pvt Ltd	Axis Bank Ltd	Nil	115.00
Vivimed Labs USA Inc.,	ICICI Bank, USA	132.48	106.49
Finoso Pharma Pvt Ltd	SBH, Hyderabad	45	45
Klarsehen Pvt Limited	SBH	75.50	755
Klarsehen Pvt Limited	Axis Bank Ltd	50.00	nil
Vivimed Labs UK Ltd	Axis Bank	nil	671
Vivimed Labs Mauritius	Axis Bank	671	Nil

39. Amount of delayed outstanding dues to Micro and Small Enterprise as per MSME Development Act, 2006, could not be ascertained at the end of the Financial Year.

40. FOREIGN EXCHANGE INFLOWS AND OUTFLOW

Particulars	Nature of Currency	2015-16		2014-15	
		Amount in Foreign Currency in Millions	₹ In Million	Amount in Foreign Currency in Millions	₹ In Million
INFLOW					
On Export of Goods	USD	8.92	570.85	22.89	1,398.73
	Euro	2.31	166.58	9.93	770.21
	GBP	-	-	-	-
Foreign Company Term Loan & Interest	USD	0.78	51.26	2.38	143.99
	Euro	-	-	0.30	20.44
	GBP	-	-	0.25	25.63
Working Capital	USD	5.60	369.00	21.20	1,316.35
OUTFLOW					
Raw Material & Capital Goods	USD	4.34	289.11	4.84	295.66
	Euro	0.18	12.88	0.12	9.37
Travelling	GBP	0.00	0.20	-	0.05
	USD	0.03	2.03	0.05	3.61
	Euro	0.03	2.27	0.05	3.61
Foreign Company & Term Loan & Interest	USD	10.22	676.59	6.02	382.40
Others(Analytical Charges, Legal Opinion charges, Registration charges, Commission etc)	USD	0.01	0.48	0.06	3.48
	Euro	0.06	4.14	0.01	0.62
Bank charges	USD	0.01	1.00	0.01	0.85
	Euro	0.00	0.07	-	0.17
Working Capital	USD	5.60	369.00	29.49	1,808.62

41. EARNINGS PER SHARE:

(₹ in Millions)

Particulars		2015-16	2014-15
Net profit after tax		836.73	720.50
Weighted Average Numbers of shares	Nos.	1,62,03,783	1,62,03,783
Basic EPS	(₹)	51.64	44.47
Diluted EPS	(₹)	50.09	43.13

42. Segment wise Information is furnished in Annexure -A.

43. SUB-DIVISION OF SHARES.

The Board of Directors of the company with the intention to encourage liquidity have proposed and resolved to Sub divide 1 (One) Equity Share of face value of Rs 10/- each into 5 (Five) Equity Shares of ₹2/- each

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2016

45. SALE OF UNIT AND LAND

a. Vivimed Labs Limited (VLL) which is engaged in the manufacture of various Speciality Chemicals, Dyes and API intermediates under its Chemical segment has entered into an Business Transfer Agreement with M/s CLARIANT INDIA LIMITED (CIL)to transfer one of its Manufacturing units located at Bonthapally, Medak District for a consideration of Rs 380 Crores. As per the agreement CIL would acquire as a slump sale on a going concern basis all the Assets located at Bonthapally along with the technical knowhow for the products manufactured.

b. During the financial year Fy 2015-16, the company has received advance amount of Rs 246.08 crores towards the slump sale consideration from CIL.

c. The ownership of the Assets at the Bonthapally Unit are being held by VLL as on 31st March 2016. The ownership over the assets at the unit will be transferred to CIL during the year Fy 2016-17 after receipt of the total consideration.

d. VLL has not provided for TAX liability on the said Slump sale during Fy 2015-16 as the transaction will be completed in Fy 2016-17.

46. AMALGAMATION

a. Vivimed Labs Limited ('the Company') has entered into a Scheme of Amalgamation with its wholly owned subsidiaries viz., Creative Health Care Private Limited, Klar Sehen Private Limited, Octtantis Nobel Labs Private Limited and Vivimed Labs (Alathur) Private Limited.

b. Description of the Scheme

i. The Scheme of Amalgamation under Section 391-394 of Companies Act, 1956 between Creative Health Care Private Limited, Klar Sehen Private Limited, Octtantis Nobel Labs Private Limited, Vivimed Labs (Alathur) Private Limited and Vivimed Labs Limited and their respective shareholders (hereinafter referred to as 'the Scheme') provides for amalgamation of the aforementioned wholly owned subsidiaries with the Company. The Appointed Date for the amalgamation is April 1, 2014.

ii. The Scheme has been approved by the Hon'ble Bombay High Court and is currently pending approval of the Hon'ble Karnataka High Court. The amalgamation shall be effective on the date on which the High Court order approving the amalgamation is filed with the jurisdictional Registrar of Companies. Upon the Scheme becoming effective, the entire assets and properties, debts, liabilities, duties and obligations of the wholly owned subsidiaries shall be transferred to the Company retrospectively from the Appointed Date.

c. Consideration

No consideration shall be payable under the Scheme as the Scheme involves amalgamation of the wholly owned subsidiaries with the Company. The entire issued, subscribed and paid up share capital of the subsidiary companies held by the Company shall be cancelled on the effective date of the amalgamation and no new shares shall be issued in lieu of the amalgamation.

d. Accounting

In terms of the Scheme, the Company shall account for the amalgamation in accordance with "Purchase Method" referred in Accounting Standard-14 – Accounting for Amalgamation issued by the Institute of Chartered Accountants of India. Please note, the audited financial statements of the Company as at March 31, 2016 has not considered the effect of amalgamation as the same was not effective as on the date of approval of the financial statements by the Board of Directors.

47. CORPORATE SOCIAL RESPONSIBILITY:

1. The Company has undertaken CSR activities like providing Water facilities to residents of Jinnarum Mandal located at Bonthapally Village.

48. Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to confirm to Current Year Classification.

49. The numbers have been rounded off to the nearest millions of rupees.

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

For VIVIMED LABS LIMITED

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-
Santosh Varalwar
Managing Director

Sd/-
Manohar Rao Varalwar
Whole time director

Sd/-
Ramesh Challa
Chief Financial Officer

Place : Hyderabad
30.05.2016

Sd/-
Pavan Kumar M
Chief Executive Officer

Sd/-
Yugandhar Kopparthi
Company Secretary

ANNEXURE – A

SEGMENT INFORMATION

Primary Segment Information

(₹ in Millions)

Sl. No	Particulars	Speciality Chemicals		Pharmaceuticals		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	REVENUE						
	External Turnover	3,714.14	4,462.09	9,742.16	9,338.90	13,456.30	13,800.99
	Inter Segment Turnover	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL REVENUE	3,714.14	4,462.09	9,742.16	9,338.90	13,456.30	13,800.99
2	RESULTS						
	Operating Profit	663.28	872.35	1,043.61	634.73	1,706.89	1,507.08
	Interest Expenses	507.61	570.17	308.05	220.20	815.66	790.37
	Interest Income	16.40	28.11	91.70	30.55	108.10	58.66
	Profit Before Tax	172.07	330.30	827.26	445.07	999.33	775.37
	Current Tax	55.99	77.11	105.17	152.80	161.16	229.91
	Deferred Tax	9.89	3.63	(8.46)	(97.93)	1.43	(94.31)
	Profit After Tax	68.15	249.56	730.55	390.21	836.73	639.76
3	OTHER INFORMATION						
	Segment Assets	11,559.25	10,779.69	8,877.43	8,204.90	20,436.68	18,984.58
	Unallocated Corporate Assets		-			-	-
	Total Assets	11,559.25	10,779.69	8,877.43	8,204.90	20,436.68	18,984.58
	Segment Liabilities	9,029.53	8,379.58	5,555.63	5,012.65	14,585.16	13,392.23
	Unallocated Corporate Liabilities		-		-	-	-
	Total Liabilities	9,029.53	8,379.58	5,555.63	5,012.65	14,585.16	13,392.23
	Capital Employed	8,453.96	8,048.96	7,086.23	6,820.82	15,540.19	14,869.78
	Capital Expenditure – Net	313.52	486.72	904.05	765.69	1,217.57	1,252.41
	Depreciation	156.65	180.30	402.97	613.93	559.62	794.24
	Non cash EXP.Other than Depreciation	24.52	22.59	29.79	54.31	54.31	76.90

FORM AOC - 1

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

PART- A- SUBSIDIARIES

(₹ 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	Creative Health Care Private Limited 130,1st Floor , Shanta Industrial Estate, I.B Patel Road, Goregoaon E Mumbai - 63	-	25.00	362.35	862.62	862.62	Nil	989.54	80.94	25.14	55.80	Nil
2	Klarsehen Private Limited 60A, Ashoke Avenue Kolkata 700 040		6.99	260.13	527.89	527.89	Nil	373.37	52.83	16.64	36.19	Nil
3	Octtantis Nobel Labs Private Limited Plot No. 1303 & 1304, Sy No 11/27, Khanamet, Madhapur, Hyderabad – 500081		23.00	(90.38)	80.10	80.10	Nil	0.00	(12.08)	Nil	(12.08)	Nil
4	Vivimed Labs (Alathur) Private Limited 130, Shanta Industrial Estate , 1st floor , I. B. Patel Road , Goregaon East , Mumbai , Maharashtra , INDIA – 400063		501.70	361.72	1251.59	1251.59	Nil	323.19	(83.21)	12.31	(95.51)	Nil
5	Finoso Pharma Private Limited 450 Alexandria Knowledge Park Turkapally, Hyderabad 500078		30.15	6.03	90.30	90.30	Nil	68.83	(1.47)	Nil	(1.47)	Nil
6	Vivimed Specialty Chemicals Private Limited Plot No. 78-A, Kolhar Industrial Area, Kolhar, Bidar - 585403, Karnataka, INDIA						Nil	Nil	Nil	Nil	Nil	Nil
7	Vivimed Holdings Limited Rooms 2702-03, 27/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong		0.06	(248.83)	1164.58	1164.58		Nil	Nil	Nil	Nil	Nil
8	Vivimed Labs Europe Limited PO BOX B3, Leeds Road, Huddersfield,HD1 6BU		8.18	820.42	1893.65	1893.65	Nil	1123.00	160.04	32.04	128.00	Nil

(₹ 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
9	Vivimed Labs USA Inc 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852		.001	285.27	1251.04	1251.04	Nil	455.00	6.23	3.47	2.76	Nil
10	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius		460.41	94.16	1974.66	1974.66		Nil	Nil	(7.20)	(7.20)	Nil
11	Vivimed Labs UK Limited PO BOX B3, Leeds Road Huddersfield, HD1 6BU		639.46	(48.20)	2000.20	2000.20		Nil	30.09	1.01	29.09	Nil
12	Vivimed Labs Spain S.L c/ Mallorca, 262, 3º -08008 BARCELONA-SPAIN-		642.79	(258.96)	3085.75	3085.75		Nil	(82.36)	(52.42)	(29.94)	Nil
13	Union Quimico Farmaceutica S.A.U c/ Mallorca, 262, 3º -08008 BARCELONA-SPAIN-		209.87	2414.20	4861.67	4861.67	Nil	5556.66	485.16	53.52	431.64	Nil
14	Holiday International Limited PO BOX B3, Leeds Road, Huddersfield, HD1 6BU		0.001	1157.38	1168.15	1168.15		Nil	28.98	2.98	26.00	Nil
15	Uquifa Mexico S.A DE C.V 37 Este, No 126, Civac, 62570 Jiutepec, Morelos, México		133.79	1000.05	1635.48	1635.48	Nil	1744.81	227.97	35.79	192.18	Nil

PART B- ASSOCIATES AND JOINT VENTURES

(₹ 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
A	Yantra Green Power Pvt. Ltd., Plot No.1303&1304, 2nd Floor, Khanamet, Ayyappa Society, Madhapur, Hyderabad-500081	01/04/2015 to 31/03/2016	135.00	(1.25)	447.69	447.69	Nil	6.95	0.58	Nil	(1.05)	Nil

PART C. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE/ GIVEN DURING THE YEAR UNDER SECTION 186

(₹ in Millions)

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	For loans	
					Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(7)	(8)
Investment	20/07/2015	Vivimed Speciality Chemicals Pvt Ltd	0.10	NA	NA	NA
Guarantee / Security	30/07/2015	Vivimed Labs Spain S.L (Lender – Exim Bank)	1073.00	Upto the repayment of the Loan	NA	NA
Guarantee / Security	22/12/2015	Vivimed Labs USA Inc. (Lender – ICICI Bank USA)	132.48	Upto the repayment of the Loan	NA	NA
Guarantee / Security	24/09/2015	Klar Sehen Private Limited (Lender – Axis Bank Ltd)	500.00	Upto the repayment of the Loan	NA	NA
Guarantee / Security	29/10/2015	Vivimed Labs Mauritius (Lender – Axis Bank Ltd)	671.00	Upto the repayment of the Loan	NA	NA

On behalf of the Board of Directors
for Vivimed Labs Limited

Place : Hyderabad
Date : 13.08.2016

Managing Director *Whole time Director*

NOTICE

Vivimed Labs Limited

CIN: L02411KA1988PLC009465
Registered office: Plot No.78-A, Kolhar Industrial Area, Bidar, Karnataka 585403
Corporate Off: 2nd Floor, Veeranag Towers, Habsiguda, Hyderabad – 500007
Tel: 91-40-27176005/27176006, Fax: 91-40-27172242,
E-mail: Yugandhar.Kopparthi@vivimedlabs.com

Notice is hereby given that the Twenty eighth Annual General Meeting of the members of Vivimed Labs Limited will be held on Friday, 30th , September 2016 at 11.30 a.m. at Plot No. 78-A,Kolhar Industrial Area, Bidar- 585403 Karnataka, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Stand alone Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the Financial Year ended on March 31, 2016, Cash Flow Statement for the Financial Year ended March 31, 2016 and reports of Directors and Auditors thereon.

2. To receive, consider and adopt the Consolidated Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the Financial Year ended on March 31, 2016, Cash Flow Statement for the Financial Year ended March 31, 2016 and Report of Auditors thereon.

3. To appoint a Director in place of Mr.Manohar Rao Varalwar, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Mr.Subhash Varalwar, who retires by rotation and being eligible offers himself for re-appointment.

5. To ratify the appointment of M/s. P.Murali & Co. Hyderabad, Chartered Accountants, (Registration No.007257S), as approved by members at the Twenty Seventh Annual General Meeting as Statutory Auditors of the Company to hold office until the conclusion of Twenty Ninth Annual General Meeting and to authorize the Board to fix their remuneration.

Special Business:

6. To consider and, if thought fit, 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, 2017, be paid remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding service tax 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".

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

"RESOLVED THAT pursuant to Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, request of Butterfly Agri Products Private Limited constituting the promoter group,having paid up equity share capital of 0.87% of the company to be removed from the list of promoters / promoter group in the shareholding pattern being filed by the Company be and is hereby accepted and the same shall be communicated to the (1).BSE Limited and (2). National Stock Exchange of India Ltd for their approval.

RESOLVED FURTHER THAT Mr.Santosh Varalwar (DIN: 00054763), Mr.Manohar Rao Varalwar (DIN: 00059815), Directors and Mr.Yugandhar Kopparthi (PAN: AQWPK9257D), Company Secretary of the Company, be and are hereby severally authorised to file the necessary applications before the (1).BSE Limited and (2). National Stock Exchange of India Ltd and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and thereby execute all such documents, instruments, papers and writings etc., on behalf of the Company, as may be required from time to time for the aforesaid matter."

By order of the Board
for Vivimed Labs Limited

Sd/-
K.Yugandhar
Company Secretary

Hyderabad
August 13, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Annual General Meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital carrying voting rights may appoint single person as a proxy and such person shall not act as proxy for any other member.

2. During the period beginning 24 hours before the time fixed for the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of notice in writing is given to the Company.

3. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

4. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM to the Company's Registrar and Transfer Agent, Aarthi Consultants Pvt. Ltd, Registered Office: 1-2-285, Domalaguda, Hyderabad-500029 by not less than forty-eight (48) hours before commencement of the AGM.

5. A route map showing directions to reach the venue of the 28th AGM is given along with this Annual Report as per the requirement of the "Secretarial Standards - 2" on General Meetings.

6. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.

7. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM is annexed hereto.

8. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Agreements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 26, 2016 to Friday, September 30, 2016 [both days inclusive].

10. In terms of Section 123 of the Companies Act, 2013 and Sections 205A, 205C of the Companies Act, 1956 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). Accordingly, in the year 2016-17, the Company would be transferring the unclaimed or unpaid final dividend for the year ended 31st March, 2009 to IEPF on or before 30 Sep 2016. 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.

11. Electronic copy of the Notice convening the 28th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company / Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.

12. Members who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.

13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 hereinafter referred to as 'Listing Regulations' (including any statutory modification(s) and / or re-enactment(s) for the time being in force), the members are provided with the following alternatives by which they may cast their votes:

(i) by electronic means through the remote e-voting platform provided by CDSL. The process for voting through e-voting is annexed hereto. The remote e-voting period will commence from 9:00 a.m. on Tuesday, September 27, 2016 and ends at 5:00 p.m. on Thursday, September 29, 2016. During this period, members of the Company holding shares either in physical or dematerialized form, as on the cut-off date, i.e. Saturday, September 24, 2016, may cast their vote by remote e-voting. The remote e-voting module will be disabled by CDSL for voting thereafter.

(ii) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr.N.V.S.S.S Rao, Practicing Company Secretary (Membership No.5868, CP No.2886), at the Corporate Office of the Company not later than by 5.00 p.m. on Thursday, 29th September, 2016. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Saturday, September 24, 2016 have the option to request for physical copy of the Ballot Form by sending an e-mail to Yugandhar.kopparthi@vivimedlabs.com or info@aarthiconultants.com by mentioning their Folio / DP ID and Client ID No. Ballot Forms received after 5.00 p.m. on Thursday, 29th September, 2016 will be treated as invalid. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

(iii) The facility of e-voting shall also be made available at the AGM venue for the members who have not cast their votes earlier.

14. Members who have cast their votes by remote e-voting or by Ballot Form prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.

15. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Saturday, September 24, 2016.

16. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Aarthi Consultants Pvt Ltd.

17. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Aarthi Consultants Pvt Ltd, Company's R&T Agent. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

18. Information required under Regulation 36(3) of the Listing Regulations (relating to Corporate Governance) with respect to the Directors retiring by rotation and being eligible seeking re-appointment is as under:

Name of the Director	**Dr.Manohar Rao Varalwar**
Age	79 years
Date of Appointment on the Board	10/11/1994
Brief resume and nature of expertise in functional areas	Dr.V.Manohar Rao aged 79 years, Retired as Joint Director of "The Veterinary Biological and Research Institute" (VBRI) has done his post-graduation in Veterinary Sciences from Edinburgh University, U.K. He has more than 31 years experience in The Municipal Corporation of Hyderabad and Department of Animal Husbandry, Government of Andhra Pradesh. During his tenure with Department of Animal Husbandry, he was involved in administration and production of various vaccines for livestock and poultry. He worked as a special officer for Meat and Poultry Department Corporation Andhra Pradesh Government Enterprises. He conceptualised and started VVS Pharmaceuticals and Chemicals Pvt. Ltd. (VVS), (Now stands merged with Vivimed Labs Limited). He is mainly responsible for developing a Sophisticated and well-equipped in-house Quality Control and introduced various cost control systems in production process. His expertise, knowledge and vision helped VVS to transform from a Biological Processing Unit into a Pharmaceutical Manufacturing Unit for manufacturing of Liquid Orals, Tablets, Capsules, Ointments etc.
Directorships held in other public Companies (excluding foreign and private Companies)	Nil
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: Stake holders Relationship, Grievance and Share Transfer Committee of Vivimed Labs Limited
Shareholding of Director	17,44,225 equity shares of ₹2/- each
Inter-se relationships between Directors	1.Father of Mr. Santosh Varalwar and Mr. Sandeep Varalwar, 2.Brother of Mr. Subhash Varalwar

Name of the Director	Mr. Subhash Varalwar
Age	68 years
Date of Appointment on the Board	09/11/1989
Brief resume and nature of expertise in functional areas	Mr.Subhash Varalwar, aged 68 years is a Post Graduate in Chemical Engineering and a Management Graduate from Leeds University, U.K. After his post graduation he joined The Fertilizer Corporation of India (FCI) in 1974 as Asst. Project Engineer (Chemical). He held various positions in FCI and worked on various areas like designing and commissioning of fertilizer plant, production etc. He resigned from FCI in 1989 to join Vivimed. Mr. Subhash brings along with him an exposure to various aspects of Industrial Management, including production, planning and commissioning, gained from 15 years of his career span with FCI. Mr. Subhash is responsible for Technology and New Product Development in the chemical segment of the Company. He also heads Production, Quality control and R&D function. He successfully led the technical integration teams of UK/India after acquisition of James Robinson Limited and has successfully implemented the stringent regulatory compliances across all its manufacturing operations globally,
Directorships held in other public Companies (excluding foreign and private Companies)	Other Directorships : NIL
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: Audit Committee of Vivimed Labs Limited
Shareholding of Director	16,75,000 equity shares of ₹2/- each
Inter-se relationships between Directors	1.Uncle of Mr. Santosh Varalwar and Mr. Sandeep Varalwar, 2.Brother of Mr. Manohar Rao Varalwar

19. Voting through electronic means:

a. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) of the Company by 'remote e voting' (e-voting at a place other than the venue of the AGM). The business may be transacted through remote e-voting services provided by the Central Depository Services Limited (CDSL).

b. The facility for voting through polling paper shall also be made available to those shareholders who are present at the 28th AGM, but have not cast their votes by availing the remote e-voting facility. Members who have exercised their voting through the remote e-voting facility may attend the Meeting but shall not be entitled to cast their vote again at the Meeting.

c. The Company has appointed Mr.N.V.S.S.S Rao, Practicing Company Secretary (Membership No.5868, CP No.2886) as Scrutinizer for conducting the remote e- voting and voting process at the AGM in a fair and transparent manner.

d. The instructions for shareholders voting electronically are as under:

(i) The remote e-voting period begins from 9:00 a.m (IST) on Tuesday, September 27, 2016 and ends at 5:00 p.m. (IST) on Thursday, September 29, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date Saturday, September 24, 2016, may cast their votes 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) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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

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

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

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

e. The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than 3 (three) days of conclusion of the AGM, make and submit a consolidated Scrutinizer's Report and submit it to the Chairman. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.

f. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. September 30, 2016.

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

Item No.6:

The Board of Directors at its meeting held on August 13, 2016, on the recommendations of the Audit Committee, had approved the 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, 2017, at a remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding service tax and reimbursement of out of pocket expenses at actuals, if any, 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.6 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, 2017.

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.6 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. 6 of the Notice for approval by the members.

Item No.7:

In the light of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, persons who are no longer desirous of being classified as Promoters of the Company, must submit a request to the Company stating the same, which has to be accepted by the Board of Directors and their request will then be acceded subject to the approval of the shareholders of the Company. The acceptance of the Board and the approval of the shareholders shall thereafter be sent to the Stock Exchanges for their clearance in order to reclassify the shareholding pattern of the Company.

Accordingly, Butterfly Agri Products Private Limited constituting the promoter group having shareholding of 0.87% of the paid up capital of the company has expressed its intention not to be part of the promoters group.

The Board at their meeting on 13th August, 2016, deliberated on the aforesaid matter and it was therefore noted that Butterfly Agri Products Private Limited has merely included in the "Promoter Category" because it subscribed to the warrants convertible in to equity shares under promoters' category at the time the company has issued warrants in 2010 and hence, it was neither related to the promoters, has not participated in the day to day management of the Company and nor was it connected in any manner to the promoter group of the Company. Further it did not hold any position as a director or a KMP in the company. Therefore, considering the aforementioned grounds, the Board decided to accept the request of the Butterfly Agri Products Private Limited in order to declassify it from the promoter group subject to the approval of members at the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Special Resolution as set out at Item No.7 of the Notice, except to the extent of their shareholding, if any, in the Company.

Hence, The Board of Directors of the Company recommends the Resolution to be passed by the members as special resolution.

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

Sd/-
K.Yugandhar
Company Secretary

Hyderabad
August 13, 2016

Vivimed

Vivimed Labs Limited

CIN: L02411KA1988PLC009465

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

BALLOT FORM

1. Name(s) and Registered Address of the Sole / First named Member :

2. Name(s) of Joint Holder(s), if any :

3. Registered Folio Number / DP ID No.and Client ID No. (Applicable to investors holding shares in dematerialised form) :

4. Number of shares held :

5. REVEN / Sequence number (Remote e-Voting Event Number) :

6. User-ID :

7. Password :

8. I/We hereby exercise my/our vote(s) in respect of the Resolutions enumerated below by recording, my/ our assent or dissent to the said Resolutions by placing the tick (√) mark in the appropriate box below:

Sr. No.	Particulars	No. of Shares held	FOR	AGAINST
			I/We assent to the Resolutions	I/We dissent to the Resolutions
Ordinary Business:				
1	To receive, consider and adopt the Stand alone Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the Financial Year ended on March 31, 2016, Cash Flow Statement for the Financial Year ended March 31, 2016 and reports of Directors and Auditors thereon.			
2	To receive, consider and adopt the Consolidated Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the Financial Year ended on March 31, 2016, Cash Flow Statement for the Financial Year ended March 31, 2016 and Report of Auditors thereon.			
3	To appoint a Director in place of Mr.Manohar Rao Varalwar, who retires by rotation and being eligible offers himself for re-appointment			
4	To appoint a Director in place of Mr.Subhash Varalwar, who retires by rotation and being eligible offers himself for re-appointment.			
5	To ratify the appointment of M/s. P.Murali & Co. Hyderabad, Chartered Accountants, (Registration No.007257S), as approved by members at the Twenty Seventh Annual General Meeting as Statutory Auditors of the Company to hold office until the conclusion of Twenty Ninth Annual General Meeting and to authorize the Board to fix their remuneration.			

Sr. No.	Particulars	No. of Shares held	FOR	AGAINST
			I/We assent to the Resolutions	I/We dissent to the Resolutions
Special Business:				
6	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 2017.			
7	To approve reclassification of Butterfly Agri Products Private Limited from Promoter Group to Public			

Place:
Date:

(Signature of the Shareholder)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

GENERAL INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid.
3. The scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through ballot to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. The results declared along with ScrutinizerÐs Report, shall be placed on the CompanyÐs website www.vivimedlabs.com and on the website of the Central Depository Services Limited (CDSL), https://www.evotingindia.com within three (3) days of the passing of the Resolutions at the AGM of the Company on 30th September, 2016 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM

a. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on September 24, 2016.

b. Please complete and sign the Ballot Form and return the form in the self-addressed Business Reply envelope so as to reach the Scrutinizer, Mr.N.V.S.S.S Rao, Practicing Company Secretary at Vivimed Labs Limited, Veernag Towers, 2nd Floor, Habsiguda, Hyderabad -500007 appointed by the Board of Directors of the Company on or before 29th September, 2016 (5.00 p.m.).

c. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.

d. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.

e. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. b above

f. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. The Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.

g. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.

Vivimed

Vivimed Labs Limited

(CIN: L02411KA1988PLC009465)

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

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): _____

Registered address: _____

_____

E-mail Id: _____

Folio No/ Client Id: _____

DP ID: _____

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....

   Address: .....

   E-mail Id: .....

   Signature: ..... or failing him

2. Name: .....

   Address: .....

   E-mail Id: .....

   Signature: ..... or failing him

3. Name: .....

   Address: .....

   E-mail Id: .....

   Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual general meeting of the company, to be held on the Friday, 30th day of September 2016 at 11.30 a.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:

Resolution No(s).	Particulars of Resolution	Vote (Optional)	
		For	Against
Ordinary Business:			
1	To receive, consider and adopt the Stand alone Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the Financial Year ended on March 31, 2016, Cash Flow Statement for the Financial Year ended March 31, 2016 and reports of Directors and Auditors thereon.		
2	To receive, consider and adopt the Consolidated Balance Sheet as at March 31, 2016, Statement of Profit and Loss for the Financial Year ended on March 31, 2016, Cash Flow Statement for the Financial Year ended March 31, 2016 and Report of Auditors thereon.		
3	To appoint a Director in place of Mr.Manohar Rao Varalwar, who retires by rotation and being eligible offers himself for re-appointment		
4	To appoint a Director in place of Mr.Subhash Varalwar, who retires by rotation and being eligible offers himself for re-appointment.		
5	To ratify the appointment of M/s. P.Murali & Co. Hyderabad, Chartered Accountants, (Registration No.007257S), as approved by members at the Twenty Seventh Annual General Meeting as Statutory Auditors of the Company to hold office until the conclusion of Twenty Ninth Annual General Meeting and to authorize the Board to fix their remuneration.		
Special Business:			
6	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 2017.		
7	To approve reclassification of Butterfly Agri Products Private Limited from Promoter Group to Public		

Signed this ..... day of 2016

Affix Revenue Stamp

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.

Vivimed

VIVIMED LABS LIMITED

CIN: L02411KA1988PLC009465
Regd. Office: 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka
Email: Yugandhar.Kopparthi@vivimedlabs.com, Website: Vivimedlabs.com,
Tel: 08482 - 232045, Fax: 08482 – 232436

ATTENDANCE SLIP

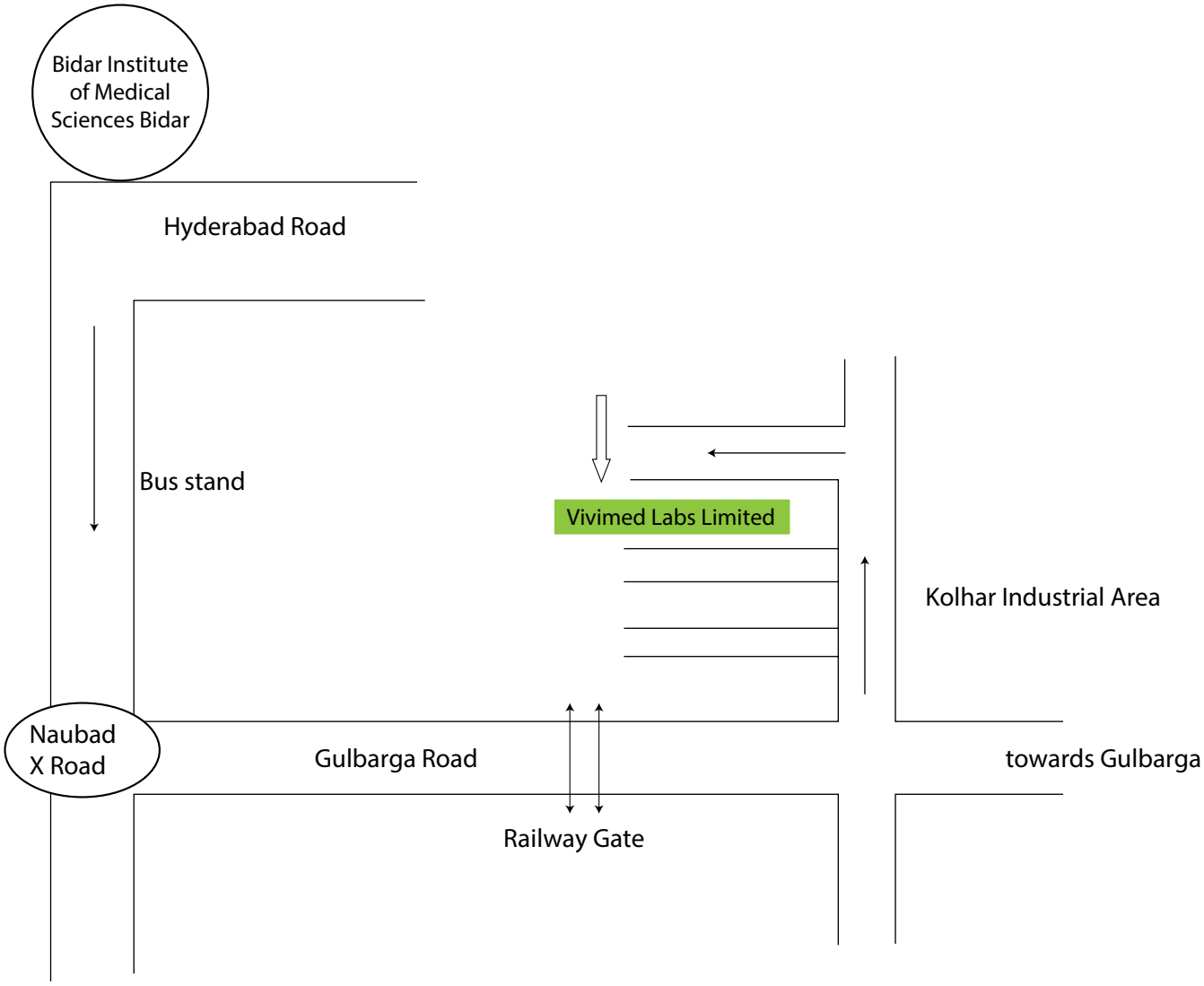
Twenty eighth Annual General Meeting
DP ID : (To be presented at the entrance) Folio No./Client ID:

I/We hereby record my/our presence at the **28th ANNUAL GENERAL MEETING** of the Company at Registered office: 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka on **Friday, 30th September, 2016 at 11.30 a.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

ROUTE MAP TO AGM VENUE



Corporate Information

Board of Directors

Mr. Santosh Varalwar	– *Managing Director*
Dr. V. Manohar Rao	– *Whole Time Director*
Mr. Subhash Varalwar	– *Whole Time Director*
Mr. Sandeep Varalwar	– *Whole Time Director*
Mr. S. Raghunandan	– *Whole Time Director*
Mr. P.V. Rathnam	– *Independent Director*
Prof. M. Bhagvanth Rao	– *Independent Director*
Dr. Peesapati Venkateswarlu	– *Independent Director*
Mr. Nixon Patel	– *Independent Director*
Mrs. Umanath Varahabhotla	– *Independent Director*

Chief Executive Officer

Mr. Pavan Kumar M

Chief Financial Officer

Mr. Ramesh Challa

Company Secretary & Compliance Officer

Mr. Yugandhar Kopparthi

Statutory Auditors

M/s P. Murali & Co., Chartered Accountant
6-3-655/2/3, Somajiguda, Hyderabad – 500082

Secretarial Auditors

Mr. N.V.S.S.S. 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
Dr No.6-2-981, Flat No. 501, 5th Floor, Maruthi Plaza,
Khairatabad, Hyderabad-50004

Audit Committee

Mr. P. V. Rathnam	– *Chairman*
Prof. M. Bhagavanth Rao	– *Member*
Mr. Subhash Varalwar	– *Member*

Management Committee

Dr. V. Manohar Rao	– *Chairman*
Mr. Santosh Varalwar	– *Member*
Mr. Subhash Varalwar	– *Member*

Risk Management Committee

Mr. Santosh Varalwar	– *Member*
Mr. S. Raghunandan	– *Member*
Mr. Vaidyanathan	– *Member*

Corporate Social Respossibility Committee

Prof. M. Bhagavanth Rao	– *Member*
Dr. V. Peesapati	– *Member*
Mr. Santosh Varalwar	– *Member*
Dr. V. Manohar Rao	– *Member*

Nomination and Remuneration Committee

Prof. M. Bhagavanth Rao	– *Chairman*
Mr. P. V Rathnam	– *Member*
Dr. V. Peesapati	– *Member*
Mr. Nixon Patel	– *Member*

Stake Holders Relationship, Grievance and Share Transfer Committee

Mr. P. V Rathnam	– *Chairman*
Mr. Santosh Varalwar	– *Member*
Dr. V. Manohar Rao	– *Member*

Registered Office

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

Corporate Office

2nd Floor, Veeranag Towers, Habsiguda, Hyderabad – 500007
Tel: 91-40-27176005/27176006, Fax: 91-40-27172242

Registrar & Transfer Agents

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

Listing

BSE Limited
National Stock Exchange of India Limited

Bankers / Institutions

State Bank of India
Bank of Bahrain & Kuwait B.s.c
State Bank of Hyderabad
Axis Bank Limited
Export Import Bank of India
Corporation Bank
Allahabad Bank
IFCI Limited
Siemens Financial Services Private Limited
International Finance Corporation
Ambit Finvest Private Limited
Biotechnology Industry Research Assistance Council (BIRAC)

Vivimed

(CIN:L02411KA1988PLC009465)
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Bidar, Karnataka 585403
www.vivimedlabs.com

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