

VAMSI LABS LIMITED

REGD OFFICE:-A-14 &15, MIDC AREA, PUNE ROAD, CHINCHOLI, SOLAPUR – 413 255
CIN-U24231MH1991PLC059750; EMAIL ID- sales@vamsilabs.com

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of Vamsi Labs Limited will be held at the registered office of the company at A-14& 15, MIDC Area, Chincholi, Solapur - 413255 on Wednesday 29th September 2021 to transact the following business at 3.00 p.m.

1. To Receive, Consider and Adopt the Audited Financial statements including Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the year ended 31 March 2021 and the Report of the Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. JAGANMOHAN ANKALA who retires by rotation and eligible to offer himself for re-appointment.
3. To appoint a Director in place of Mrs. PRIYANKA ARVIND NANDYALA who retires by rotation and eligible to offer himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139(1) of the Companies Act, 2013 the appointment of M/S Ashok Madgundi & Co; Chartered Accountant, Solapur be and are hereby ratified as Statutory Auditors of the Company to examine and audit the accounts of the Company for the financial year 2021-2022 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of Pocket expenses and applicable taxes.”

5. **Appointment of Mr. Kesava Reddy Madana (DIN: 0916588) as the Managing Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (“Act”), and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Articles of Association of the Company, and other applicable provisions, if any, and based on the recommendation of the Board of Directors, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Kesava Reddy Madana (DIN 01916588) as a Managing Director of the Company for a period of 3 (three) years, with effect from 06 September 2021 to 05 September 2024, liable to retire by rotation, and to approve the terms and conditions of his appointment, including the remuneration as set out in the Explanatory Statement annexed to this notice convening this meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall deem to include any Committee of the Board) shall, be at full liberty to

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revise/alter/modify/amend the terms and conditions of the said appointment and/or remuneration, from time to time, in accordance with Section 196, 197 and/or Schedule V of the Companies Act, 2013 thereof, and other applicable provisions for the time being in force.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of his service as Managing Director, the remuneration as detailed herein shall be paid to him as minimum remuneration or such other remuneration as may be agreed between Board of Directors and Mr. Kesava Reddy Madana (DIN 01916588), in accordance with applicable provisions of the Act including Schedule V of the Act, for the time being in force.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

6. To approve the related party transaction u/s 188 of the Companies Act 2013

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

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and Rules framed thereunder, the consent of the Company be and is hereby accorded to the Board of Directors to enter into transaction/s providing of Professional services for the period of 3 financial years with effect from 06 September 2021, by Mr. Pratap Reddy Linga Reddy Gaddam – Director a Related Party, for an annual value not exceeding Rupees 1.80 Cr to be discharged in a manner and on such terms and conditions as may be mutually agreed upon by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as maybe necessary, proper or expedient to give effect to this resolution.”

Notes:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

**BY ORDER OF THE BOARD
For VAMSI LABS LIMITED**

**KESAVA REDDY MADANA
CHAIRMAN
DIN: 01916588**

PLACE: SOLAPUR

DATE: 06 September 2021

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NOTES.

1. A person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. The instrument appointing the proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the meeting. Proxy Form and attendance slip is enclosed to this notice.
2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Meeting.
4. Equity shares of the Company are under compulsory Demat trading by all Investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
5. All documents referred to in the notice requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during normal business hours on working days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the Annual General Meeting.
6. 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 Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
8. Members who have not registered their email addresses so far are requested to register their email addresses so that they can receive the Annual Report and other communications from the Company electronically.

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Annexure forming part of the Notice EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5: Appointment of Mr. Kesava Reddy Madana (DIN: 0916588) as Managing Director

Mr. Kesava Reddy Madana (DIN: 0916588), aged 67 years, is a promoter and Whole Time Director of the Company. He completed his Bachelor in Chemistry and completed Post-Graduate diploma in Metallurgy.. He has over 30 years of experience in the Active Pharmaceutical Ingredients industry. He has been a guiding force behind the growth and business strategy of our Company.

Based on the recommendation of Board and the consent and disclosures from the appointee, subject to approval of the members, and considering the increased activities, responsibilities and contribution of **Mr. Kesava Reddy Madana (DIN: 0916588)** in development and growth of the Company the Board of Directors, in their meeting held on 6 September 2021, appointed Mr. Kesava Reddy Madana as Managing Director of the Company, for a period of 3 (three) years w.e.f. 6 September 2021, and the said appointment and terms of appointment including remuneration to be paid to him, requires approval of the shareholders.

Accordingly, in terms of the provisions of Section 196, 197, 198 and 203 read together with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder, the Board of Directors recommend the resolution as set out under Item No. 5 for the approval of the members by way of **Special Resolution**.

Mr. Kesava Reddy Madana (DIN: 0916588) satisfied all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for appointment.

Terms of appointment:

A. Period of appointment

Appointed for a period of 3 (three) years, w.e.f. 06 September 2021 to 05 September 2024, subject to retirement by rotation.

B. Remuneration, benefits and perquisites

Remuneration of Rs. 15,00,000/- per month or Rs. 1,80,00,000/- (Rupees One Crore Eighty Lacs only) per annum Plus 2% Variable pay/Commission on the Net Profit Before Tax.

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C. Other

Service Contract: Not Applicable. However, the above terms may be treated as memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013. Personal Accident and Term Life Insurance, Mediclaim Coverage, notice period etc. will be as per Company's policy.

Additional disclosures as required pursuant to provisions of Schedule V of the Companies Act is provided under Annexure-II to this Notice.

Except Mr. Kesava Reddy Madana (DIN 01916588) being the appointee Director and his relatives, none of the Directors and/or and other Key Managerial personnel of the Company or their relatives are, in any way, deemed to be concerned or interested financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company.

Details of Directors seeking appointment at the Annual General Meeting

[Pursuant to Secretarial Standards - 2 issued by The Institute of Company Secretaries of India for Item No. 5 of the 31st AGM Notice]

Name of the Director	Mr. Kesava Reddy Madana
DIN	01916588
Date of Birth	01/04/1954
Date of Appointment on the Board	09/01/1991
Date of Re-appointment on the Board	Presently Not liable to retire by Rotation
Nationality	• Indian
Qualifications	• Bachelor of Chemistry • Post-Graduate Diploma in Metallurgy
Background details/ brief resume/experience (including expertise in specific functional area)	Mr. Kesava Reddy Madana (DIN 01916588), aged 67 years, is the promoter, Chairman and Whole Time Director of our Company. He has 30 years of experience in the field of Chemical and Active Pharmaceuticals Ingredients. He has been the guiding force behind the growth and business strategy of our Company. He has over a 3 decade of Pharmaceutical and formulation experience, and has been instrumental in the consistent growth of our Company.
Job profile and suitability to the company	Experience and expertise as stated above
Recognition or awards	Mr. Kesava Reddy Madana (DIN 01916588) has been awarded for Best Industrialist , nationally and globally.
Terms and conditions of Appointment/ Re-appointment	As mentioned in the Resolution and Explanatory Statement
Remuneration, last drawn (including sitting fees, if any)	Rs.15.00 lakh per month
Remuneration proposed to be paid	As mentioned in the Explanatory Statement

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Pecuniary relationship in the Company	Mr. Kesava Reddy Madana (DIN 01916588) does not have any other pecuniary relationship in the Company, except remuneration proposed paid/ to be paid to him.	
Shareholding in the Company as on 31 March 2021	774048 equity shares	
Directorship held in other Companies	VAMSI PHARMA PRIVATE LIMITED - Director SAROJINI STEELS LIMITED.	
Directorship/membership/chairmanship of Committees of the board of VAMSI LABS LIMITED	Whole Time Director and and Chairman of CSR Committee	
Names of listed entities in which the person, also, is a director/ member / chairperson of committees of other Boards as on 31 March 2021	Nil	
Number of meetings attended during the financial year	All	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position, and person (in case of expatriates the relevant details would be with respect to the country of origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Kesava Reddy Madana, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.	
Relationship with other Directors / Key Managerial Personnel/ Managers	Name of the other Director	Nature of Relationship
	N Priyanka Reddy	Daughter
	* Except as stated above Mr. Kesava Reddy Madana is not related to any other Director.	

Item No. 6 : To approve the Related Party Transaction with the Related Party

Board of Directors in its meeting dated 06 September 2021 has approved the proposal for getting the professional services from Director **Mr. Pratap Reddy Linga Reddy Gaddam**. Director Mr. Pratap Reddy Linga Reddy Gaddam has agreed to provide the following professional services to the Company and the terms for providing services are as under :

Nature of Providing Professional service : Product development activities with RnD team, Q.A. and R.A. regulatory documentation review support etc.

Terms : Payment of Rs. 15,00,000/- per month (Rupees Fifteen Lacs per month)

Tenure : For 3 years from 06 September 2021

Other Terms : As per the contract with Mr. Pratap Reddy Linga Reddy Gaddam

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As per the provisions of the Section 188 of the Companies Act 2013 and other applicable provisions, Board approval and Shareholders approval is required if the transactions are material or the transactions are not at arms' length basis.

Mr. Pratap Reddy Linga Reddy Gaddam Director of the Company is being provided PURELY PROFESSIONAL SERVICES to the Company in his PROFESSIONAL CAPACITY. In fact it is neither the material transactions with the Company nor not at arms' length basis.

For an abundant precaution and transparency in the communication with the Shareholders of the Company; the proposal being put forth for approval before the Shareholders.

Except Mr. Pratap Reddy Linga Reddy Gaddam being the appointee Director and his relatives, none of the Directors and/or and other Key Managerial personnel of the Company or their relatives are, in any way, deemed to be concerned or interested financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company.

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ANNEXURE II to the NOTICE OF 31ST ANNUAL GENERAL MEETING

Statement required pursuant to the provision of schedule V of the companies Act, 2013 is given below

I. General Information

1. Nature of industry:

The Company is engaged in the business of manufacturing, buying, selling, distributing, importing and exporting of Ethical Pharmaceutical Drugs since 1991.

2. Date or expected date of commencement of commercial production:

Commercial production of Ethical Pharmaceutical Drugs commenced in the Financial Year 1992-93.

3. Financial Performance based on given indicators:

(Rs. In lakhs)

Financial Year	Sales	Net profit before remuneration	Remuneration to directors	Net profit after remuneration
2020-21	8480.07	2395.92	366.00	2029.92
2019-20	6462.89	1290.99	363.50	847.49
2018-19	6347.74	1128.05	288.00	840.05

4. Foreign investment or collaboration:

Company does not have any foreign investment and collaborations.

II. Information about appointee: The information has been provided in an Explanatory Statement to the Notice of 31st Annual General meeting

III. Other Information:

5. Reasons of loss or inadequate profits:

Due to increasing competition under pharmaceutical industry the company is facing cut-throat competition. Other reasons for the inadequate profit are the areas of commercial, political and geographical changes at the national as well as international level.

6. Steps taken or proposed to be taken for improvement:

Company has adopted various drastic strategies to improve its performance & accordingly company could complete its projects profitably.

7. Expected increase in productivity and profit:

Financial Year	Sales	Net profit before remuneration	Remuneration to directors	Net profit after remuneration
2021-22	12000.00	2403.00	236.00	2167.00
2022-23	15500.00	2807.00	250.00	2557.00
2023-24	20200.00	3167.00	280.00	2887.00

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ROUTE MAP FOR AGM VENUE.



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Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U24231MH1991PLC059750
Name of the company:	VAMSI LABS LIMITED
Registered office:	A-14 & 15 MIDC AREA, CHINCHOLI, SOLAPUR 413255

Name of the member(s):
Registered address:
Email 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:	

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on the day of..... At..... a.m. / p.m. at..... (Place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1.	
2.	
3.	

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

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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.

Board's Report

To

The Members of

VAMSI LABS LIMITED

Your Directors have pleasure in presenting the 31st Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2021.

FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY AND HIGHLIGHTS

(Rs. in lakhs)

Particulars		Current year	Previous Year
Revenue from Operations		8480.07	6462.89
Other Income		13.90	3.58
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense		2282.10	1073.55
Less: Depreciation/ Amortization/ Impairment		136.68	130.33
Profit /loss before Finance Costs, Exceptional items and Tax Expense		2145.41	943.22
Less: Finance Costs		115.49	95.73
Less: Other Operating & Non-Operating Expenses		0	0
Profit /loss before Exceptional items and Tax Expense		2029.92	847.49
Add/(less): Exceptional items		0	0
Profit /loss before Tax Expense		2029.92	847.49
Less: Tax Expense	Current Tax	574.73	212.50
	Deferred Tax	13.19	10.05
Profit /loss for the year (1)		1491.98	624.94
Total Comprehensive Income/loss (2)		(50.30)	(16.48)
Total (1+2)		1441.68	608.46
Balance of profit /loss for earlier years		1711.56	1277.46
Transfer to Debenture Redemption Reserve		0	0
Transfer to Reserves		0	0
Dividend paid on Equity Shares		0	143.18

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Dividend paid on Preference Shares	0	0
Dividend Distribution Tax	0	29.43

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

For the financial year ended 31st March, 2021, the Company has not transferred any sum to Reserve Account. Therefore, your Company retained the balance of profit to Profit and Loss Accounts of the Company in Reserves and Surplus Account.

FINAL DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

INTERIM DIVIDEND

The Company has not paid any interim dividend during the year.

STATE OF COMPANY'S AFFAIRS

i	Segment-wise position of business and its operations	The Company is engaged in manufacturing Active Pharmaceutical Ingredients and Its Intermediates, providing as a raw material for pharmaceuticals formulation companies. During the year under review, the total Income of the Company was Rs 84.80 crores against Rs.64.62 crores in the previous year, an increase of revenue by 31%. During the period, the Company has earned a Profit after tax Rs.14.91Crores compared to Rs 6.24Crores in the previous year, an increase of 139%
ii	Change in status of the company	There has been no change in the status of the Company.
iii	Key business developments	The Company has purchased adjacent plot No. A-31, A-32 and A-33 admeasuring 2100 sq.mtrs each total area 6300 sq.mtrs. and expansion project started in the said plot consisting two production building viz., PB1 and PB2 consisting around 85 reactors with all utilities required for expansion with additional power 33KVA line 2500 KWA.
iv	Change in the financial year	Financial remains as – 1 st April to 31 st March and no change has been made.
v	Capital expenditure programmes	Company planned expansion project for production Block at A-31, A-32 and A-33 with cost of project at Rs.56.73 Crores and Term Loan sanctioned Rs.36.73 Crores and Rs.20.00 Crores from internal accruals. If anything above than project cost will be met by

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		internal accruals.
i	Details and status of acquisition, merger, expansion, modernization and diversification	Company has neither any plan for Acquisition/Merger nor any of the activity done during the Financial Year 2020-2021
vii	Developments, acquisition and assignment of material Intellectual Property Rights	Company filed patent for Clenbuterol HCL product in India and US. Patent is granted in both US and India
vii i	Any other material event having an impact on the affairs of the company	Company has submitted US DMF of Tiotropium Bromide Monohydrate and GADUFA fees paid for the same. Company is planning to submit US DMF of Haloperidol. The company has filed COS application for clenbuterol, Fluticasone Propionate, Haloperidol Budesonide, and FeneterolHbr with EDQM.

COMMENCEMENT OF ANY NEW BUSINESS

During the financial year under review no new business commenced by the company.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the company which have occurred from the end of the last financial year to which the financial statements relate and the date of this Report.

DETAILS OF REVISION OF FINANCIAL STATEMENT OR ANNUAL REPORT

Financial statement or Annual report have not been revised during Financial Year 2020-2021 or any of the three Preceding financial year.

GENERAL INFORMATION

OVERVIEW:

Company's facility was approved by USFDA. Company was also certified for WHO-GMP. Company has got COS (Certificate of Suitability) from EDQM (European Directorate for Quality of Medicines) for Formoterol Fumarate, Salmeterol Xinafoate and Tiotropium Bromide. The Company has obtained accreditation from TUV, Germany for ISO 9001-2015 Certification, ISO 14001:2015, ISO:45000:2009 certification. Company has planned for expansion in the recently acquired plot No.A-31, A-32 and A-33 and desired to achieve a turnover of Rs.100 – 125 Crores in 2021-22.

EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK:

Due to Covid pandemic and the Government policy, the company's performance may be affected. In fact Company is manufacturing products which are very useful for controlling the major viruses which affect the human body hence the performance of the company would be better than the last year.

INDUCTION OF STRATEGIC AND FINANCIAL PARTNERS:

No such induction is planned by the company.

SHARE CAPITAL STRUCTURE OF THE COMPANY:

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a) Authorized Capital:

Rs. 5,00,00,000/- (Rs. Five Crores only) divided into 50,00,000 Equity Shares of Rs. 10 /- each.

b) Issued Capital:

Rs. 2,86,35,000/- (Rs. Two Crores Eighty Six Lacs thirty five thousand only) divided into 2863500 Equity Shares of Rs. 10 /- each.

c) Subscribed and Paid-up Capital:

Rs. 2,86,35,000/- (Rs. Two Crores Eighty Six Lacs thirty five thousand only) divided into 2863500 Equity Shares of Rs. 10 /- each.

ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS:

There was no issue of Shares with Differential Rights during the financial year.

ISSUE OF SWEAT EQUITY SHARES:

There was no issue of Sweat Equity Shares during the financial year.

ISSUE OF EMPLOYEE STOCK OPTIONS:

There was no issue of employee stock options during the financial year.

CREDIT RATING OF SECURITIES

SN	Particular	Remarks
a)	credit rating obtained in respect of various securities;	No Credit rating of Securities But the credit rating of Company has done as required by Financial Institutions Vamsi Labs Ltd., limits are with SBI, Mumbai - Rs.11.25 Crores.
b)	name of the credit rating agency;	CRISIL LTD
c)	date on which the credit rating was obtained;	01.04.2021
d)	revision in the credit rating;	Nil
e)	reasons provided by the rating agency for a downward revision, if any	There is no downward rating.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

BOARD OF DIRECTORS

The board of directors of the company is duly constituted. There is no change in the Directors during the year.

Your Directors proposed to appoint Mr. KESAVA REDDY MADANA as the Managing Director of the Company with effect from 06 September 2021 to 05 September 2024 for three years on remuneration and

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other terms and conditions, Detailed profile of the Director along with necessary details as may be required mentioned in the explanatory statement attached to the Notice calling 31st Annual General Meeting.

RETIREMENT OF DIRECTORS:

MR. VENKATA LAKSHMINARASAMMA KOLA and MR. JAGANMOHAN ANKALA are liable to retire by rotation and eligible for reappointment.

REMUNERATION POLICY

The remuneration paid to Executive Directors is approved by Board, and shareholders and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

REMUNERATION PAID TO DIRECTORS:

Remuneration to Directors has been paid as under in the Financial Year 2020-21:

Mr. Kesava Reddy Bhujanga Reddy Madana (WTD)	Rs.1,80,00,000/-
Mr. Pratap Reddy Linga Reddy Gaddam (MD)	Rs.1,80,00,000/-
Mr. AnkalaJagan Mohan Reddy (Director)	Rs.43,57,210/-
Dr. Ravindra N. Purohit – Director	Rs.6,00,000/-

APPOINTMENT OF INDEPENDENT DIRECTORS ON THE BOARD AND DECLARATION UNDER SECTION 149(6)

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

COMPOSITION OF AUDIT COMMITTEE

The provision of section 177 relating to Audit committee to not applicable on the company.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive

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attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

MEETINGS OF THE BOARD OF DIRECTORS

The following Meetings of the Board of Directors were held during the Financial Year 2020-2021:

SN	Date of Meeting	Board Strength	No. of Directors Present
1.	11/05/2020	7	7
2.	15/07/2020	7	7
3.	02/09/2020	7	7
4.	02/12/2020	7	7
5.	05/03/2021	7	7

PRESENCE/ATTENDANCE OF DIRECTORS IN THE MEETINGS

SN	Name of Director	Board Meeting			Committee Meeting			AGM
		No of Meeting held	No of Meeting attended	%	No of Meeting held	No of Meeting attended	%	
1	KESAVA REDDY MADANA	5	5	100	2	2		Yes
2	PRATAP REDDY LINGA REDDY GADDAM	5	5	100	2	2		Yes
3	JAGANMOHAN VENKATA SWAMY ANAKALA	5	5	100	0	0		Yes
4	RAVINDRA NANDLAL PUROHIT	5	5	100	0	0		Yes
5	PRASADUREDDY KOTISWAMY DEVAGIRI	5	5	100	0	0		Yes
6	PRIYANKA ARAVIND NANDYALA	5	5	100	0	0		Yes
7	VENKATA LAKSHMINARASAMMA KOLA	5	5	100	2	2		Yes

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MEETINGS OF MEMBERS

The following Meetings of the Members were held during the Financial Year 2020-2021:

SN	Date of Meeting	Member Strength	Members attended
1	30/09/2020	8	7
2	10/10/2020	8	7
3	25/02/2021	8	7

BOARD EVALUATION

The provision of section 134(3)(p) relating to board evaluation is not applicable on the company.

PARTICULARS OF EMPLOYEES

Provision related to the particulars of the employees employed by the company falling within Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed.;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures:

- 1 The internal financial control systems are commensurate with the size and nature of its operations.

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- 2 All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.
- 3 Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management.
- 4 The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Board of Directors for review and necessary action.

REPORTING OF FRAUDS BY AUDITORS

For the Financial year 2020-2021, the Statutory Auditor has not reported any instances of frauds committed in the Company by its Officers or Employees.

INFORMATION ABOUT SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

DEPOSITS

The company has not accepted deposits from public within the meaning of Section 73 of the Companies Act, 2013.

Company has accepted Unsecured Loan from the Directors of the Company

Mrs. Venkat Lakshi Narasamma Kola Rs.30.30 lakhs

Mr. M. Kesava Reddy Rs.99.75 lakhs

Mr. G. Pratap Reddy Rs.75.25 lakhs

Which are not treated as deposits as per the Companies (Acceptance of Deposits) Rules.

LOANS, GUARANTEES AND INVESTMENTS

The Company has not made / given / advanced any Loan, Guarantee and Investment during the financial year covered under section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All related party transactions during the year were on arm's length basis and not in conflict with the interest of the Company. The particulars of the said transactions along with other contracts/arrangements are also briefed in the Notes to the financial statement which sets out related party disclosures. A Statement containing 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 in prescribed form AOC-2 is annexed.

CORPORATE SOCIAL RESPONSIBILITY

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In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013 your Company has constituted Corporate Social Responsibility (CSR) Committee comprising of Mr. Kesava Reddy Madana; Mr. Pratap Reddy Linga Reddy Gaddam; and Mrs. Venkat Lakshmi Narsamma Kola. The role of the CSR Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company. Detailed information report on CSR policy during the year pursuant to Section 135 of the companies Act, 2013 is given in **ANNEXURE –II.**

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

PARTICULARS	REMARKS
A) CONSERVATION OF ENERGY:	
> the steps taken or impact on conservation of energy;	The Company is taking due care for using electricity in the office and its branches. The Company usually takes care for optimum utilization of energy. No capital investment on energy Conservation equipment made during the financial year.
> the steps taken by the company for utilizing alternate sources of energy;	
> the capital investment on energy conservation equipments;	
B) TECHNOLOGY ABSORPTION:	
> the efforts made towards technology absorption;	Not Applicable
> the benefits derived like product improvement, cost reduction, product development or import substitution;	Regular R&D work is carried out to improve quality of products and cost reduction. Developed 2 intermediates which were being imported.
> in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
(a) the details of technology imported;	No
(b) the year of import;	NA
(c) whether the technology been fully absorbed;	NA
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	NA
> the expenditure incurred on Research and Development	Rs.27.68 lakhs
(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:	
> The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	The corporation is getting foreign exchange earnings is exports and Foreign exchange outgo for import of raw materials and spares. Prevailing conversion rate is taking on the date of transaction. Exports Earning - USD - 3852989 Euro – 813895 AED - 32583 Import Outgo - Euro – 52767

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	Commission - USD 43394.65
	COS, USFDA Renewal - Euro 20000.00
	- USD 77589.06
	Raw Materials - USD 1906510
	Spares - USD 32517. Eu3748.50,
	CHF19458.40
	Refund (Reimport goods) – USD 105500

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is not adopted any such policy.

REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or Tribunals that could impact the going concern status and operations of the company in future.

STATUTORY AUDITORS AND THEIR REPORT

Members are requested to pass the following resolution to ratify the appointment of Statutory Auditors for one year.

“RESOLVED THAT pursuant to Section 139(1) of the Companies Act, 2013 the appointment of M/S Ashok Madgundi & Co; Chartered Accountant, Solapur be and are hereby ratified as Statutory Auditors of the Company to examine and audit the accounts of the Company for the financial year 2020-2021 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of Pocket expenses and applicable taxes.”

Company has received certificate from the Auditors to the effect they are not disqualified to continue as statutory auditors under the provisions of applicable laws.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

SECRETARIAL AUDITORS

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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COST RECORDS

The Central Government has specified maintenance of cost records under section 148 (1) of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Amendment Rules, 2014 and hence such accounts and records have been made and maintained.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

No such process was necessary during the period under review under the Insolvency and Bankruptcy Code, 2016 (IBC)

FAILURE TO IMPLEMENT ANY CORPORATE ACTION

All the corporate actions were taken during financial year 2018-19 and reporting of the same to the concerned departments has been completed within specified time limit.

ANNUAL RETURN

Pursuant to Sections 134(3)(a) and 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in e-form MGT-7 may be accessed on the Company's website at the www.vamsilabs.com

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

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Company's Health and Safety Policy commits to comply with applicable legal and other requirements connected with occupational Health, Safety and Environment matters and provide a healthy and safe work environment to all employees of the Company.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings of the Company.

APPRECIATION AND ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation, from its Suppliers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

**BY ORDER OF THE BOARD
For VAMSI LABS LIMITED**



**KESAVA REDDY MADANA
(DIN:01916588) CHAIRMAN**

PLACE: SOLAPUR

DATE :06 September 2021