

Vivo Bio Tech Ltd

Your Drug Discovery Partner



26th Annual
Report
2013

CONTENTS

Board of Directors	02
Message from Chairperson.....	03
Notice.....	04
Directors Report	10
Corporate Governance Report	14
Management Discussion and Analysis Report.....	19
Auditors Report.....	24
Balance Sheet	28
Statement of Profit and Loss	29
Cash Flow Statement	30
Significant accounting policies	31
Notes forming part of the Balance Sheet and Statement of Profit and Loss	32
Balance Sheet Abstract and Company's General Business profile	40
Consolidated Financial Statements	43

Annual General Meeting on Saturday, September 28, 2013 at 1.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500 026. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

Registered Office:

Flat # 608, 6th Floor, Lingapur Complex,
Himayat Nagar, Hyderabad - 500 029
Phone # : 040-66784714; 66784719
Fax: 040-66776112

Auditors:

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda,
Hyderabad - 500 082
Phone # : (040)-23326666, 23312554

Bankers

M/s. CANARA BANK
Overseas Branch
Adarsh Nagar, Hyderabad.

M/s BANK OF BARODA

Marredpally Branch, Secunderabad.

Registrars & Share Transfer Agents

M/s. Aarthi Consultants Pvt. Ltd.,
1-2-285, Domalguda,
Hyderabad - 500 029
Ph Nos. : 27634445, 27638111
Fax No. : 27632184

Board of Directors

Dr. Alangudi Sankaranarayanan
-Whole Time Director & CEO

K. Sri Kalyan*
-Whole Time Director
(Resigned w.e.f 30th July 2013)

Kunasingam V.Sittamapalam
-Director

M. Kalyan Ram
-Whole Time Director

K.Sunder
-Director

Dr. V. Narasaiah
-Additional Director

CEO's Message

There has never been a more exciting time to be at Vivo Bio Tech Limited. We are robustly positioned to meet our clients need to hasten outsourcing to advance the speed and productivity of their research and development functions.

In 2013, we proudly celebrated our Twenty Sixth Anniversary as a Public Listed Company. This year has been a milestone in the history of Vivo Bio Tech Limited. This year marked the company emerging as an Integrated Biotech - CRO player having created a sustainable and diversified business with a growing international presence and a market leading portfolio of Drug Development Services.

A Future filled with opportunities

Many large pharmaceutical and biotech companies are faced with severe monetary realities that prompt them to clinch outsourcing as a strategic alternative to investing in fixed-cost internal development capacity. Also, these companies do not have in place, nor does it make profitable sense for them to establish, the in-house capabilities to move their compounds through the regulatory process.

Despite the financial crunch and a drop in early-stage research, a report conducted by Business Insights states that the global CRO market is expected to grow 14% per year during the next three years, making contract research a \$35 billion industry by 2013.

According to Frost & Sullivan, despite the existence of CROs for over two decades now, the penetration rate of outsourcing, as a percentage of the total R&D spending, is less than 25%. "Hence, there is great potential for CROs to grow through just expansion."

Although growth has slowed in the recent years, the Asia Pacific region remains one of the highest growth regions specifically in the area of outsourcing and therefore remains a high priority for global pharma companies.

These key market dynamics create a mature environment for sizeable volumes of outsourcing and bode well for significant and continuous industry growth. Overall, the outsourcing market is poised to return to healthier growth rates from 2014.

Vibrant growth

The company also made an application with National GLP Compliance Monitoring Authority for GLP certification. In May 2012, the preliminary site visit by them has been completed. The company is gearing up for the final audit which is anticipated in the last quarter of 2013.

In August 2012, the company successfully received 'Breeding & Trading' license for Rodents from Committee for the Purpose of Control and Supervision of Experiments on Animals (CPCSEA). The company already has set up the required infrastructure and ready to start the commercial supply of Specific Pathogenic Free Rodents to the biomedical research community from September 2012.

The company has partnered with Taconic Farms, Inc., (USA) and have entered into an agreement under which Vivo Bio Tech will gain rights to breed and distribute select Taconic mouse and rat models in India. Through this arrangement, the two companies will greatly improve the availability of high-quality animals for biomedical research in India. Vivo Bio Tech will breed and distribute select Taconic animal models, including a variety of inbred and outbred mice and rats, as well as the proprietary Taconic Knockout Repository of more than 4,000 knockout lines. The company has started supplying - SD Rat, BALB/c Mouse, C57BL/6 Mouse, Swiss Webster Mouse and Athymic Nude Mouse to various pharmaceutical, biotech, CROs and Academic Institutes.

As of July 31, 2013 we had 105 employees.

Outlook 2013

We strongly believe that 2013 will be a far exciting year for Vivo Bio Tech Limited in terms of revenues, as we are fully equipped to meet the needs of clients globally, having established state-of-art infrastructure, knowledge teams and business contacts.

I thank our bankers for enduring to trust Vivo Bio Tech Limited and for their timely support, our employees who had extremely performed good, and finally, thanks to our shareholders, for their consistent confidence in our company.

Dr. A. Sankaranarayanan, Ph.D., F.C.P.
Chief Executive Officer
Vivo Bio Tech Limited

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the Company will be held on Saturday, the 28th day of September, 2013, at 01.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad- 500026 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2013; Balance Sheet as on that date along with the Schedules forming part of it, notes to accounts and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. K. Sunder who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modifications(s), the following resolution as an ordinary resolution

"RESOLVED that M/s. P. Murali & Co, Chartered Accountants (ICAI Reg. No. 007257S), who retire at the conclusion of this Annual General Meeting, be and are hereby appointed as statutory auditors of the company till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee

SPECIAL BUSINESS

4. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. V. Narasaiah, Who was appointed as an Additional Director of the company with effect from 30th July, 2013, who holds office under Section 260 of the Companies Act, 1956, up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing under section 257 and other applicable provisions, if any, of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. 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 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the "Act" which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the appointment of Mr.M. Kalyan Ram as Whole Time Director of the Company, for a period of 3(Three) years with effect from 30th July, 2013 on a monthly remuneration of Rs.30,000 Per month."

"RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Mr. M. Kalyan Ram as minimum remuneration during the currency of his tenure, notwithstanding the absence of inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Act, including amendments made thereto"

"RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956 and subject to the accordance of the requisite approvals, the board be and is hereby authorized to revise the gross salary of the appointee by a maximum of 50% per annum".

6. To Consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956(Act) (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, the Listing Agreement entered into between the Company and the Various stock exchanges, the Guidelines for Preferential Issues contained in Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements) Regulations, 2009, rules and regulations framed by Reserve Bank of India(RBI) and other statutory /regulatory authorities, and subject to all applicable norms, guidelines, regulations in force, and statutory approvals, consents, permissions or sanctions as may be necessary, of appropriate authorities, institutions or bodies and subject to such conditions as the authorities may impose at the time grating their approvals/consents/permissions/sanctions and which may be agreed to by the Board of Directors of the Company (the “Board”, which expression shall include any committee thereof constituted/to be constituted by the Board for exercising the powers conferred on the Board by this Resolution) if it thinks fit in the interest of the Company, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 10,00,000 (Ten Lacs Only) Equity Shares of Rs.10/- each at a premium to be decided as per the SEBI guidelines, to strategic investors of the company, the details of which are mentioned in the Explanatory Statement annexed hereto, on preferential allotment basis, on such terms and conditions and in such manner as the Board may think fit, whether or not they are members of the Company

“RESOLVED FURTHER THAT

- a) The relevant date for the purpose of pricing of the equity shares as above, in accordance with the SEBI Guidelines is 29th August, 2013 being the 30th day prior to 28h September, 2013 (i.e. the 30th day prior to the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue.)
- b) The equity shares to be issued and allotted in pursuance of this resolution shall rank *pari passu* with the then existing equity shares of the company in all respects.

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the equity shares and the utilization of the issue proceeds thereof, to effect any modification (s) to the foregoing (including any modifications to the terms of the issue) in the best interests of the Company and its shareholders and to execute all such writings and instrument(s) as the Board may in its absolute discretion deem necessary or desirable.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any committee of Directors of the Company to give effect to the aforesaid resolution”.

BY ORDER OF THE BOARD
For Vivo Bio Tech Ltd

Dr. A. Sankaranarayanan
Whole Time Director & CEO

PLACE: HYDERABAD
DATE : 29-08-2013

Important Communique to Members -Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliance by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/ the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

NOTES

- a. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument of proxy in order to be effective must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b. The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.173 (2) of the Companies Act, 1956 is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 2, 4, and 5 are also annexed
- c. The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 20th September, 2013 to 28th September 2013 (both days inclusive)
- d. Members are requested to send all communication relating to shares to the Company's R&T Agents (Physical and Electronic) at the following address: M/s. Aarthi Consultants Private Ltd, Unit: Vivo Bio Tech Ltd, 1-2-285, Domalguda, Hyderabad-500 029

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2) of The Companies Act, 1956

Item#4

Dr. V.Narasaiah was appointed as an Additional Director of the company as per the provisions of Section 260 of the Companies Act, 1956("the Act") in the Board Meeting held on 30th July, 2013. Pursuant to Section 260 of the Companies Act, 1956. Dr.V. Narasaiah holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Dr.V.Narasaiah as a candidate for the office of Director. The profile of the Director is given hereto under the head 'Additional Information'

The Board recommends the resolution for the members' approval in the Annual General Meeting.

None of the Directors except Dr.V. Narasaiah is concerned or interested in the resolution

Item#5

The Board of Directors of the Company in its meeting held on 30th July, 2013, appointed Mr. M. Kalyan Ram as Whole Time Director for a period of 3 years with effect from 30th July, 2013 at a gross remuneration of Rs. 30,000 P.M. subject to the approval of members. He is presently with the company as Independent and Non- Executive Director

Considering his competence, experience as also the envisaged growth in the activities of the company and as compared to remuneration presently being paid to persons in similar situations in the country, the terms of his promotion and remuneration as set out below are viewed to be just, fair and reasonable.

He is having no other directorships and also not a member in the committees of any other companies.

The remuneration has been approved by the remuneration committee.

As per the provisions of Schedule XIII of the Companies Act, 1956 appointment of Mr. M. Kalyan Ram as Whole Time Director requires the approval of the members in General Meeting. Hence, the above resolution at item# 5 is submitted to the meeting for ratification by the members of the company by passing a Special Resolution.

The Board of Directors commends the above resolution at Item# 5 for your approval.

None of the Directors of the Company except Mr. M. Kalyan Ram to the extent of his appointment as director is concerned or interested in this resolution

Item#6

As members are aware the company has significant growth plans. While the current cash flows from the operations are not sufficient and the above projects would require significant outlay of funds in the coming years. These projects will necessitate external infusion of funds at different points of time in the future. Since the activities of the company are going to diversify into across different fields, there will be considerable amount of investment the company has to make. It is thought prudent to obtain shareholders' approval for issue of securities through preferential allotment of shares to Promoters and strategic investors to enable the company to raise a part of this fund requirement for the said growth plans.

Hence, the company proposes to issue 10,00,000 Equity Shares to the strategic investors as detailed hereunder subject to the approval of members and such other approvals as may be necessary. The proposed issue of Equity Shares on preferential basis to strategic investors would be strictly in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the

following parameters would be subject to such changes as may be required to conform to the SEBI (ICDR) Regulations, 2009.

The Equity Shares to be issued pursuant to the above will be subject to lock-in as stipulated under the applicable SEBI guidelines.

The company had sought indication from Strategic investors whether it would be desirous to subscribe to the above securities. The strategic investors in turn has confirmed and conveyed its intent to subscribe to these securities.

(i) The objects of the Preferential issue

To Fund the Future capital investments of the company as mentioned above.

(ii) The Proposal of the promoters/directors/key management persons to subscribe to the offer.

The Promoters are not making any subscription to the present issue and their intention is to make available funds to the company's proposed growth plans

(iii) Share holding pattern of the Company before and after the proposed issue of Equity Shares pursuant to the resolution at Sl.No.6

Sl. No	Category	Pre-Issue		Post -Issue	
		No. of Equity Shares	%	No. of equity Shares	%
1	Promoters Holding	6,424,083	68.70	6,424,083	62.07
2	Others	2,926,437	31.30	3,926,437	37.93
	Total	9,350,520	100.00	10,350,520	100.00

iv) Proposed time within which allotment will be completed

The allotment of the Equity Shares being issued on preferential basis is proposed to be made within 15 days from the date of passing of the resolution by the Members.

v) Identity of proposed allottees and the percentage of post preferential issued capital that may be held by them

Identity of Proposed allottees	No. of Equity shares to be allotted	% of Post Issue Capital
Mallemkonda Resorts P Ltd.	5,00,000	4.83
Surlogic Life Consultancy P Ltd.	5,00,000	4.83

The proposed allotment of Equity shares on preferential basis as envisaged above will not result in change in Control/Management of the Company.

vi) The company hereby undertakes that

- It would re-compute the price of the securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009 where it is required to do so.
- If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

None of the Directors of the Company are interested in the allotment of Shares.

BY ORDER OF THE BOARD OF DIRECTORS
For Vivo Bio Tech Ltd

PLACE: HYDERABAD
DATE : 29-08-2013

Dr. A. Sankaranarayanan
Whole Time Director & CEO

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

The particulars of directors who are proposed to be re-appointed are given below:

1. Name : Dr.V. Narasaiah
 Age : 64 Years
 Qualifications : MSC Mphil, M.Ed, Phd
 Expertise : Dr. Narasaiah is aged about 64 years and has been in the teaching field for two decades training the students in Chemistry for various competitive exams and Board of intermediate, Degree. He did his M.Phil (chemistry) from Kakatiya University and also completed his PhD from Kakatiya University in the year 2007.

 He also has brief stint for 2 years as in charge of computer cell at BIE, AP during which he was a developer & DBA in Oracle-7, Website maintenance, Mana TV audio Visual Education cell in charge

 Other Directorships : NIL
 Membership of Committee : NIL
 Shareholding : NIL
2. Name : M. Kalyan Ram
 Age : 35 years
 Qualifications : B.Com, MBA.
 Expertise : He has around 11 yrs of experience in the Accounts, Finance and Administration of various companies.

 Other Directorships : NIL
 Membership of Committee : NIL
 Shareholding : NIL
3. Name : K.Sunder
 Age : 48 years
 Qualifications : B.Sc., LL.B.
 Expertise : He has around 19 years of experience in corporate law practice and advisor to various corporate and government companies

 Other directors : NIL
 Membership committee : NIL
 Shareholding : NIL

DIRECTORS' REPORT

Dear Members,

Yom Directors have pleasure in presenting you the 26th Annual Report of your company together with the Audited Accounts for the year ended 31st March, 2013.

Financial Results

(Rs. in Lakhs)

Particulars	2012-13	2011-12
Total Income	1,512.88	1,252.96
Profit before interest, Depreciation and Tax	311.84	534.80
Interest	77.64	340.33
Depreciation	157.00	208.23
Provision for Taxation	14.71	Nil
Profit after interest, Tax and depreciation	62.50	(13.76)
Deferred Tax provision	38.50	(84.48)
Balance brought forward	(611.53)	682.25
Balance Carried to Balance Sheet	(572.82)	(611.53)

BUSINESS PERFORMANCE

Revenues : The total income of the Company for the FY 2012-13 comprises operating revenues of Rs. 1512.88 Lacs as against Rs. 1252.96 Lacs in FY 2011-12

Profits : Profit before Tax (PBT) stood at Rs. 77.20 Lacs as against Rs. (13.76) for the previous year. Profit after Tax (PAT) stood at Rs. 24 Lacs as against Rs. 70.72 lacs for the previous year.

Reserves and Surplus

During the year the Company has not transferred any amount to Reserves and Surplus.

Material changes and commitments;

There are no material changes and commitments occurred between the end of the financial year of the company and the date of the report affecting the financial position of the company

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. K. Sunder retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Mr. K. Sri Kalyan Resigned to the Board of Directors and Mr. M. Kalyan Ram is appointed as Whole Time Director of the company. Dr.V. Narasaiah is appointed as Additional Director on the Board.

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, directorships in other companies as stipulated under clause 49 of the listing agreement with the stock exchanges in India are provided in the report on corporate governance.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed and there are no material departures.

- ii) We have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2013 and of the Profit of the company for the financial year ended 31st March 2013.
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) We have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis.

Auditors and Audit Report

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The company has received letter from the Statutory auditors to this effect that their reappointment, if made would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of section 226 of the said act.

Fixed Deposits

The Company has not accepted fixed deposits as on 31st March, 2013 so as to attract the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of the Deposits Rules) 1975 as amended from time to time.

PARTICULARS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Pursuant to the provisions of Section 212 of the Companies Act, 1956 (Act), documents in respect of the various subsidiaries viz., Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are required to be attached to the Balance Sheet of the holding company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs, has vide Circular No. 2/2011 dated 8th February, 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries of the Company. However, the Company will make available the audited annual accounts and related detailed information of the subsidiaries to the shareholders upon request in accordance with the applicable law. These documents are also available for inspection at the Registered Office of the Company during business hours.

A statement pursuant to the provisions of Section 212(1)(e) of the Act appears elsewhere in the Annual Report.

Subsidiary Companies

The financials pertaining to subsidiary companies have been given elsewhere in this report.

Consolidated Financial Statements

In accordance with the Accounting Standards AS-21 and AS-27 on Consolidated financial Statements read with the Accounting Standard AS-23 on Accounting for investments in Associates, the Audited consolidated financial statements are provided in the annual report.

Particulars required under Section 217(e) of the Companies Act, 1956 read with rule 2 of the Companies (Disclosure of particulars in the Board of Directors) Rules, 1988 is given as annexure to the Report.

Particulars of Employees

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that there are no employees in receipt of remuneration of Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- or more per month where employed for a part of the year.

Report on Corporate Governance

Your Company had taken steps and complied with most of the recommendations during the year. For the year under review the Compliance Report is provided in the Corporate Governance section in this Report. The Auditors certificate on Compliance with the mandatory requirements of Corporate Governance is given in Annexure to this Report.

Management Discussion and Analysis

This has been dealt with in the separate Annexure to this Report.

Acknowledgments

Your directors would like to place on record their appreciation of support, co-operation and assistance received from the company's clients, Central Government authorities, bankers, shareholders and suppliers. The board wishes to convey its appreciation of hard work, solidarity, cooperation and support put in by the company's employees at all levels in enabling such growth.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Vivo Bio Tech Ltd

PLACE : HYDERABAD
DATE : 29-08-2013

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

M.KALYAN RAM
Whole Time Director

Annexure to the Directors Report

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31st, 2013

A. Conversation of Energy:

During the year the company has taken significant measures to reduce the energy consumption by using energy efficient machines and equipment:

B. Consumption per unit of Production:

The disclosure of consumption figures per unit of production is not meaningful as the operations of the company is not power intensive and involves multiple products:

Form A

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Power and Fuel Consumption		
1. Electricity.		
a. Electricity Purchase Units	9,41,819	10,14,192
Total amount	Rs. 73,77,777	Rs. 53,77,681
Rate per unit (Average)	Rs. 7.80	Rs. 5.30
b. Own Generation from Diesel	1,10,450	NIL
Generator Unit Rate per Unit	9.85	NA

Form B

A. Specific Areas in which R&D work has been carried out by the company

- Molecular Biology: Cloning of desired gene in the appropriate vector and also optimization of the expression of desired protein in appropriate host.
- Fermentation: Optimizing the fermentation process of E.Coli harboring the plasmid containing the gene of interest.
- Protein Purification: Development of purification techniques for various proteins. This include wide range of chromatographic techniques like ion exchange, reverse phase, hydrophobic interaction column, gel filtration, affinity chromatography etc.
- Bioassay: in vivo and in vitro activity assay standardization of various proteins.
- Quality Control : We do the physico-chemical and biochemical/immunological characterization of various proteins

B. Benefits derived as a result of R&D (Wet Lab) Activities

- Cloning of gene of interest for getting maximum expression of the desired protein from desired host such as E.Coli or yeast.
- Solving complicated projects such as purification of untagged and low-expressing proteins.
- Purification of enzymes
- Purification of antibody required in R&D and Quality control lab.
- Bioassay development of different proteins.

C. Future plan of action

- Research and Development activity for further improvement of quality and yield of desired protein to get cost effective technology, that can minimize the cost incurred to customers.
- Establishment of radioactive lab for providing services in the area of bioassay development, and also for different laboratory experiment.
- Establishment of Mammalian and Pichia cell culture lab for providing specific services associated.

D. Foreign Exchange Earnings

Inflow	:	Rs. 6.46 Lacs
Outflow	:	Rs. 21.10 Lacs

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY:

Vivo Corporate Philosophy envisages complete transparency and adequate disclosure with an ultimate aim of value creation for all players i.e. stakeholders, creditors, employees. Vivo is committed to the adoption of best governance practices and its adherence in the true spirit at all times.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Your Company has 5 Directors comprising of 2 Executive directors and 3 Independent Non-Executive directors which is in compliance with the clause 49 of the Listing Agreement

b) Attendance of each Director at the Board Meetings and the last AGM and their Category:

During the Financial Year 2012-13, the Board of Directors met 5 times on the following dates:

12th May, 2012, 10th August, 2012, 30th August, 2012, 12th November, 2012, 13th February, 2013

The attendance of each Director is given below:

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of other Director-ships #	Committee Member-ships	Committee Chairmanship
Dr. A. Sankaranarayanan	Whole Time Director & CEO	3	Yes	-	-	-
K. Sri Kalyan	Whole Time Director	5	Yes	-	-	-
M. Kalyan Ram	Independent Non-Executive Director	5	Yes	-	-	-
K.V.Sittampalam	Independent Non-Executive Director	-	-	1	1	-
K.Sunder	Independent Non-Executive Director	5	Yes	-	-	-

The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, section 25 companies and private limited companies.

- In accordance with clause 49, memberships/chairmanships of only the Audit Committee and shareholders/ investors grievance committees all Public Limited Companies (Excluding Vivo Bio Tech Ltd) have been considered.
- Apart from receiving sitting fee for attending meetings, the independent directors do not have any material pecuniary relationships or transactions with the company, promoters, directors, senior management or its holding company, subsidiaries and associates which may affect independence of the director;
- The Independent director is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- The independent directors have not been executives of the company in the immediately preceding three financial years;
- They are not partners or executives or were not so during the preceding three years of the - statutory audit firm or the internal audit firm that is associated with the company - Legal Firm(s) and consulting firm(s) that have a material association with the company
- The Independent Directors are not material suppliers, service providers or customer or a lessors or lessees of the company, which may affect their independence
- They are not substantial shareholders of the company i.e. don't own 2 percent or more of the block of voting shares.

3. AUDIT COMMITTEE:

During the year under review Five (5) meetings were held for approval of Unaudited Financial Results. The constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Director	Designation	Nature of Directorship	Attendance
M. Kalyan Ram	Chairman	Independent Non-Executive Director	5
Dr. Sankaranarayanan	Member	Whole Time Director	3
K. Sunder	Member	Independent Non-Executive Director	5

M. Kalyan ram moved as member and Dr. V. Narasaiah will act chairman of audit committee from 30th July, 2013. Dr. Sankar will resign to the membership of audit committee.

The Meetings of Audit Committee were also attended by the representatives of Statutory Auditor as Invites. The Un-audited financial results for each quarter are recommended by the Audit Committee before passed on to the Board of Directors for approval and adoption.

Terms and reference of the Audit Committee include a review of;

- Financial reporting process
- Draft financial statements and auditor's report (before submission to the Board)
- Accounting policies and practices
- Internal controls and internal audit systems
- Risk management policies and practices
- Related party transactions
- Internal audit reports and adequacy of internal audit function

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan and fixation of audit fee and also approval of payment of fees for any other services.

4. REMUNERATION COMMITTEE:

The Remuneration Committee is constituted as follows:

Name of the Director	Designation	Nature of Directorship
Dr.V. Narasaiah	Chairman	Independent
M. Kalyan Ram*(Resigned)	Chairman	Executive
Kunasingam V. Sittampalam	Member	Independent
K. Sunder	Member	Independent

Details of remuneration to the directors for the Year:

Name of the Director	Relationship with other Directors	Business relationship with company if any	Loans and advances from company	Remuneration paid During the year 2012-2013		
				Sitting fee Rs.	Salary Rs.	Total Rs.
Dr. A. Sankaranarayanan	None	None	None	-	30,00,000	30,00,000
K. Sri Kalyan	None	None	None		8,85,000	8,85,000
M. Kalyan Ram	None	None	None	20,000		20,000
K. Sunder	None	None	None	15,000		15,000

Shares held by Non-Executive Directors as on 31st March, 2013 are as follows:

Sl.No	Name of the Non-Executive Director	No. of shares held as on the Date
1.	M.Kalyan Ram	NIL
2.	Kunasingam V. Sittampalam	NIL
3.	K. Sunder	NIL

5. INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE :

The Board constituted an investors' grievance committee which looks into shareholders and investors grievances under the Chairmanship of Dr. V.Narasaiah who is an Independent and Non- Executive director. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Board of Directors has delegated the power of approving transfer of securities to M/s. Aarthi Consultants Private Limited.

Name	Designation	Category
M. Kalyan Ram	Chairman	Executive Director
K. Sri Kalyan*	Member	Executive Director
Dr.V. Narasaiah	Chairman	Independent Non-Executive Director
K. Sunder	Member	Independent Non-Executive Director

M.Kalyan Ram resigned to chairman position and will continue as member and Dr. V.Narasaiah appointed as Charman

*resigned

Name & Designation of the Compliance officer: Mr. M. Kalyan Ram, Whole Time Director

The total No. of Complaints received and complied during the year were; Opening: 1 Complaints Received: 8 Complied:- 9 Pending: 0

The Complaints had been attended to within seven days from the date of receipt of the complaint, as communicated by our Registrars and Share Transfer Agents M/s. Aarthi Consultants Pvt. Ltd.

The outstanding complaints as on 31st March, 2013 were: 0

6. a) Details of Annual General Meetings: Location and time of the last three AGM's.

Financial Year	Date & Time	Venue	Nature of Special Resolutions if any, passed
2011-12	29.09.2012 1.00 PM	Padmashali Kalyana Mandapam, 2-12- 66, Nehru Nagar, West Marredapally, Secunderabad- 500026	1. Reappointment of Dr. Sankaranarayanan as Whole Time Director
2010-11	29.09.2011, 04.00 PM	Padmashali Kalyana Mandapam, 2-12- 66, Nehru Nagar, West Marredapally, Secunderabad- 500026	NIL
2009-10	29.09.2010, 02.00 PM	Padmashali Kalyana Mandapam, 2-12- 66, Nehru Nagar, West Marredapally, Secunderabad- 500026	1. Appointment of K. Sri Kalyan Whole Time Director 2. Issue of Warrants under Preferential Allotment guidelines to Promoters and Strategic Investors

b) None of the Resolutions were put through postal ballot in the last year.

7. Disclosures

- A. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large:

Details are given elsewhere in this report.

- B. Details of non-compliance by the company, penalties, Strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **None**

8. Means of Communications:

As per the listing requirements, the company published periodical financial results in Business Standard and Andhra Bhoomi. The Management Discussion and Analysis (MD&A) forms part of Annual Report.

9. General Shareholder information

- a) AGM: Date, Time and Venue : 28th September, 2013 at 01:00 PM, at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Maredpally, Secunderabad-500026. Andhra Pradesh.
- b) Financial Year : 1st April to 31st March
- Financial Reporting for** :
- Quarter ending June 30, 2013 : Before end of August, 2013
- Quarter ending September 30, 2013 : Before end of November, 2013
- Quarter ending December 31, 2013 : Before end of February, 2014
- Quarter ending March 31, 2014 : Before end of May, 2014
- c) Date of Book Closure : 20.09.2013 to 28.09.2013 (both days inclusive)
- d) Listing on Stock Exchanges : The Company's Equity shares are listed on the Bombay Stock Exchange (BSE)
- Payment of Listing Fee : The Company has paid the listing fees to the BSE for the financial year 2013-14
- e) Stock Code : BSE: 511509 Demat ISIN in NSDL and CDSL : INE380K01017

f) Market Price Data :

Month	Highest	Lowest	Volume of Shares Traded
September, 2012	10.60	10.60	30
October, 2012	11.13	11.13	5
November, 2012	12.26	11.68	195
December, 2012	12.86	12.26	80
January, 2013	13.50	13.50	170
February, 2013	14.17	13.55	285
March, 2013	14.22	13.05	10

- g) Registrar and share transfer agents : M/s. Aarthi Consultants Pvt Ltd.
1-2-285, Domalguda, Hyderabad - 500 029.
Ph : 2 7 6 3 4 4 4 5 , 2 7 6 3 8 1 1 1 Fax: 27632184
- h) Share Transfer System : The Share transfers are being effected physically by the Company's share transfer agents, M/s. Aarthi Consultants Pvt. Ltd, Hyderabad.

i) **Distribution Shareholding as on 31st March, 2013**

Share Holding of	Share Holders Number of Share			Nominal Value	
	Rs.	Numbers	% of Total	No	% of Total
	(1)	(2)	(3)	(4)	(5)
Upto	5,000	5892	98.94	217,407	2.33
5,001	10,000	13	0.22	8,410	0.09
10,001	20,000	10	0.17	12,960	0.14
20,001	30,000	02	0.03	4,730	0.05
40,001	50,000	02	0.03	10,000	0.11
50,001	1,00,000	06	0.1	52,777	0.56
1,00,001	And above	30	0.51	9,044,236	96.72
Total		5956	100.00	9,350,520	100.00

j) **Categories of shareholders as at 31st March 2013**

	Category	No. of Shares held	% of Shareholding
A	PROMOTER'S HOLDING:		
1.	Promoters*		
	Indian Promoters	5,239,083	56.03
	Foreign Promoters	1,185,000	12.67
2.	Persons acting in Concert	Nil	Nil
B.	NON-PROMOTERS HOLDING		
3.	Institutional Investors	Nil	Nil
a.	Mutual Funds	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-government Institutions)	Nil	Nil
c.	FII's	Nil	Nil
4.	OTHERS		
a.	Private Corporate Bodies	1,358,815	14.53
b.	Indian Public	267,622	2.87
c.	NRI's / OCB's	1,300,000	13.90
d.	Any other (please specify)	Nil	Nil
	TOTAL	9,350,520	100.00

- k) Dematerialization of Shares and liquidity : The Company has entered into agreement with CDSL and also NSDL 35.09% of the Company's share capital is dematerialized as on 31.03.2013
- l) Outstanding GDRs./ADRs./Warrants : The Company has not issued any ADR's/GDR's or any Convertible instruments and also no warrants are pending for conversion Conversion date and likely Impact On equity
- m) Address for Correspondence : 608, Lingapur Complex, Himayat Nagar, Hyderabad - 500029

Non -Mandatory Requirements:

The Company has already set up a Remuneration Committee. The Company shall adopt postal ballot system, where compulsory, under the Companies Act, 1956. The other suggestions have not yet been adopted.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
VIVO BIO TECH LIMITED.

PLACE : HYDERABAD
DATE : 29-08-2013

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

M.KALYAN RAM
Whole Time Director

ANNEXURE TO THE DIRECTORS' REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis Report is given below:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Developments:

According to Frost and Sullivan, the \$895mn Indian CRAMS (Contract Research and Manufacturing Services) industry is expected to grow to \$6.6bn by 2013. Indian Pharmaceutical industry is becoming an integral part of the global pharma, value chain and Indian CRAMS are well placed to benefit from the growing outsourcing trend in global pharma industry.

Impending patent expirations and mounting R&D costs in the wake of declining efficiency and escalating pricing pressures are forcing global pharma companies to revisit their operating paradigms. With increasing growth challenges, there is a sharper-than-ever focus on improving operational efficiencies to maintain profitability. It is believed that this situation would provide a major boost to outsourcing of pharma activities to low-cost offshore destinations like India and China.

India has several factors going for it to attain global leadership in biotechnology. We have varied agro climatic zones that bring to life every conceivable plant, animal and aquatic life. We have one of the largest professional resources trained in biology in the world. These include several centers of educational excellence in universities and national laboratories. We have several overseas Indians at the leading edge of biology research in universities in the US and Europe. We have a strong framework of public funded research institutions in biological sciences in medical and agricultural domains. The biotechnology industry touched 2 billion dollar mark in revenue for 2006-07 from the

Opportunities:

The company, on a continuous basis, scans the market for scalable opportunities and has over the past twelve months identified some key areas of growth opportunities. These opportunities are in the areas of product engineering, utilities, telecom & content. The company is making concerted efforts and investments to move up the value chain in its chosen markets and acquiring new competencies and services. It includes strengthening of domain knowledge, hiring highly talented sales and marketing managers, restructuring of businesses, project management and investments in new geographies. The company is experiencing significant traction from its existing customers and is receiving several enquiries from potential customers in its chosen markets. The company continues to strengthen and build relationships with its current and prospective customers as well as its global delivery model to ensure a low total cost of ownership for the customer.

Cost of developing a drug and a genetically modified product is very high in western countries. So companies are looking towards outsourcing certain lower end jobs like screening of molecules, testing genetically modified seeds etc. to India. India with its unique pharma and biotech skills can cash on this opportunity.

Furthermore, India is considered a preferred destination for Outsourcing Clinical Trials and Preclinical Research [\$ 13.0 bn Market]

CRAMS (Contract Research and Manufacturing Services) pertains to outsourcing services/ products from low-cost providers with world class standards, in line with international regulatory norms. Pharmaceutical and Biotech multinationals have traditionally been outsourcing services like wet lab research, preclinical, clinical, and contract manufacturing to low cost destinations like India. Since late 1990s, CRAMS has gained more importance, as MNCs have come under pressure to maintain their profitability. If Vivo Bio Tech is successful in attracting Multinationals for Outsourcing, there lies ahead a huge opportunity for the company in capturing a significant pie of the huge CRAMS market.

Threats:

Government Regulations

Regulatory agencies throughout the world strictly regulate the drug development process. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as a reduction in regulatory requirements or the introduction of simplified drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if government's regulatory efforts to contain drug costs and pharmaceutical and biotechnology company earnings from new drugs, companies may spend less, or lessen their growth in spending on research and development. Hence, changes in government regulation or in practices relating to the biotech and pharmaceutical industry could shrink the need for the services we provide, which might have a negative impact on the company's growth.

Intense competition – preclinical services

The Indian Preclinical Contract Research market is highly competitive. The market is flooded with players ranging from hundreds of small, limited-service providers to a limited number of full-service organizations with global capabilities. In preclinical services, we face competition from established players like Vimta labs, Advance Therapeutics, GVK Life sciences, InTox, and Connexios. There is competition for customers on the basis of several factors, including the following: reputation for on-time quality performance; know-how and practice in specific areas; extent of service offerings; success in various geographic markets; price; technological expertise and competent drug development processes; capability to acquire, process, analyze and report data in a rapid and precise manner; and historic experience and relationship.

Intense competition might have adverse effect on Vivo Bio Tech in acquiring preclinical projects from international clients, which can alter the company's profitability.

The key elements of the company's business strategy in the fiscal year has been obtaining regulatory approvals, certifications like AAALAC International and GLP, establishment of Breeding and Canine operations and strengthening marketing efforts

Outlook:

In the next fiscal year, we anticipate –

- To receive GLP (India) accreditations for our Small Animal Research Facility
- To start operations of our Small Animals Breeding facility
- To start operations of our Canine facility

We strongly believe that 2013 will be a far exciting year for Vivo Bio Tech Limited in terms of revenues, as we are fully equipped to meet the needs of clients globally, having established state-of-art infrastructure, knowledge teams and business contacts.

Risks & concerns:

Biotech industry cannot be developed in isolation like IT industry as major chunk of research has been done by government labs. So if Government does not increase the interaction between industry and labs we cannot realize value of research which has been done, and which can give a major head start.

Similarly, Lack of strict implementation of patent laws, single window clearance of clinical trial / preclinical protocols for regulatory clearances and Over-protection of domestic industry can lead to isolation, retaliation & wrong signals to the Developed World.

Competition from other Asia- Pacific countries like China, Singapore, Malaysia, Taiwan and Hong Kong is yet another major risk.

As our business deals are frequently prepared as fixed price or fee-for-service with a cap, we bear the financial risk if we initially under-price our contracts or otherwise overrun our cost estimates. Such under pricing or major cost overruns could have a material unfavorable effect on our business, results of operations, financial condition, and cash flows.

The increasing demand for outsourcing services (Contract Research and Manufacturing) during the past years has been putting a lot of demand on human resources. Availability of talented and trained manpower is scarce. However, the company has been successful in employing skilled and talented people till date.

Internal Control Systems & their adequacy:

The Management Information Systems is the back bone of our internal control mechanism. The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment procurement, finance and administration marketing and personnel departments. The Company also has internal Audit system commensurate with its size and nature of business. The Audit Committee reviews the internal audit reports and the adequacy of internal controls from time to time. In order to ensure that all checks and balances are in place and all internal control systems and procedures are in order, regular and in- depth internal audit is conducted by the qualified chartered accountants. Internal audit reports are reviewed by the audit committee on a quarterly basis.

Discussion on financial performance with respect to operational performance:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The Management of the Company accepts responsibility for the integrity and objectivity of the financial statements as well as for the various estimates used therein. The financial statements have been prepared on a prudent basis to reflect an accurate picture of the Company's state of affairs. During the year under review, the total income of your company for the year 2012-13 was Rs. 1512.88 Lacs as against the income of Rs. 1252.96 Lacs for the year 2011-12.

Material Developments in Human Resources/Industrial Relations front, including number of people employed:

Vivo believes that successful organizations emanate from successful people who achieve that success from within the organization. Hence it's the organization's responsibility to define the growth & success blue print of every member working for it. At Vivo Intellectual Capital is most Valuable asset. It recognizes the importance of linking employees to the Company's strategy.

We believe our people are motivated by the Knowledge that they play a key role in our business growth. Further, the company recruited senior level and other functional specialists during the year. The Human

relations in the organization have been cordial. The total number of persons employed in the company as on 31st March 2013 was 105. Your company works continuously towards adopting the best human resource practices in the industry and firmly believes in coming out with creative ideas for promoting customer satisfaction of the highest order. To ensure that employees grow with technology, training programs are conducted by your company at regular intervals to enable all technical & functional resources be abreast with the latest technologies.

Declaration regarding compliance with the code of conduct and ethics policy of the company by Board Members and senior management personnel

This is to confirm that the company has adopted code of conduct and Ethics policy for the Board of Directors and Associates of the Company, which is available at www.vivobio.com

I, Dr. A. Sankaranarayanan declare that the Board of directors and senior management personnel have affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

PLACE : HYDERABAD

DATE : 29-08-2013

Dr. A. SANKARANARAYANAN

Whole Time Director & CEO

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

VIVO BIO TECH LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s. Vivo Bio Tech limited, ("the company") for the year ended 31st March, 2013 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

P. MURALI MOHANA RAO
PARTNER.
Membership No. 23412

PLACE : HYDERABAD

DATE : 29-08-2013

Certification as required under Revised Clause 49 of the Listing Agreement

We, Dr. A. Sankaranarayanan, Whole Time Director & CEO, M. Kalyan Ram, Whole-Time Director of Vivo Bio Tech Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, and its schedules and notes on accounts, as well as the Cash Flow statement and the Directors report.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the company, and we have:
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared. and
 - b. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. We have disclosed to the Company's auditors and the audit committee all significant changes in internal control during the year;
 - a. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - b. any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : HYDERABAD
DATE : 29-08-2013

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

M. KALYAN RAM
Whole Time Director

INDEPENDENT AUDITORS' REPORT

To the Members of
VIVO BIO TECH LTD

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Vivo Bio Tech Limited ('the Company') which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the 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

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the 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, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. we have 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

P. MURALI MOHANA RAO
PARTNER.
Membership No. 23412

PLACE : HYDERABAD
DATE : 29-05-2013

ANNEXURE TO AUDITOR'S REPORT

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) During the year company has disposed off substantial part of fixed assets and taken back on lease basis for a period of 5 years. However going concern assumption will not affect.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has been registered for a period of not less than 5 years, and its accumulated losses at the end of financial year is less than fifty percent of its net worth and the company has not incurred cash losses during the financial year and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not raised any money by shares issue.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

P. MURALI MOHANA RAO
PARTNER.
Membership No. 23412

PLACE : HYDERABAD

DATE : 29-05-2013

M/s. VIVO BIO TECH LTD
BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No	As on 31/03/2013 Rs	As on 31/03/2012 Rs
1. Shareholder's Funds			
a) Share Capital	1	93,505,200	93,505,200
b) Reserves and Surplus	2	(11,153,271)	(44,312,970)
2. Non-Current Liabilities			
a) Long-term borrowings	3	35,856,803	207,803,980
b) Defferred tax liabilities (Net)	4	11,713,822	7,863,930
c) Long term provisions	5	1,039,868	893,256
3. Current Liabilities			
a) Short-term borrowings	6	-	21,394,581
b) Trade payables	7	87,355,104	93,194,962
c) Other current liabilities	8	125,453,786	142,365,844
d) Short-term provisions	9	43,003,691	18,602,336
Total		386,775,003	541,311,119
B. Assets			
1. Non-current assets			
a) Fixed assets			
(i) Tangible assets	10	141,451,456	390,199,664
(ii) Intangible assets		64,590,741	41,015,713
(iii) Capital work-in-progress		-	8,750,000
b) Non-current investments	11	1,371,875	300,000
c) Other non-current assets	12	261,106	322,111
2. Current assets			
a) Inventories	13	439,385	203,744
b) Trade receivables	14	40,297,967	52,481,773
c) Cash and cash equivalents	15	103,056,155	24,836,237
d) Short-term loans and advances	16	29,600,009	19,113,122
e) Other current assets	17	5,706,309	4,088,755
Total		386,775,003	541,311,119

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad

Date : 29-05-2013

M/s. VIVO BIO TECH LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2013

Particulars	Note No	As on 31/03/2013 Rs	As on 31/03/2012 Rs
1. Revenue from operations	18	143,656,661	124,788,829
2. Other Income	19	7,631,552	507,122
3. Total Revenue (1+2)		151,288,213	125,295,951
4. Expenses:			
a) Purchase of Stock-in-Trade		37,380,293	31,220,349
b) Changes in inventories	20	(235,641)	(203,744)
c) Employee benefit expense	21	24,721,566	21,111,487
d) Other operating expenses	22	47,979,109	8,891,049
e) Administrative Expenses	23	7,809,010	7,632,785
f) Financial costs	24	7,764,369	34,033,239
g) Depreciation and amortization expense	10	15,699,622	20,822,612
h) Other expenses	25	2,449,396	3,163,833
Total Expenses		143,567,724	126,671,610
5. Profit before exceptional and extraordinary items and tax (3-4)		7,720,489	(1,375,659)
6. Exceptional Items			-
7. Profit before extraordinary items and tax (5 - 6)		7,720,489	(1,375,659)
8. Extraordinary Items		-	-
9. Profit before tax (7- 8)		7,720,489	(1,375,659)
10. Tax expense:			
(1) Current tax		1,470,753	-
(2) Deferred tax		3,849,892	(8,447,861)
11. Profit(Loss) from the period from continuing operations (9- 10)		2,399,844	7,072,202
12. Profit/(Loss) for the period		2,399,844	7,072,202
13. Earning per equity share:			
(1) Basic		0.26	0.76
(2) Diluted		0.26	0.76

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

M/s. VIVO BIO TECH LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013

	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	77.20	(13.76)
ADJUSTMENTS FOR :		
Depreciation	157.00	207.62
Interest expenses	77.64	340.33
Deferred Tax	(38.50)	84.48
Written off Expenses	-	0.61
Operating Profit before working capital changes	273.34	619.28
Inventory	(2.36)	2.59
Interest paid	(77.64)	(340.33)
Trade Receivables	1.40	(122.51)
Trade payables	17.96	307.69
NET CASH FLOW FROM OPERATING ACTIVITIES	212.71	466.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	2,513.63	(456.95)
Investments in Subsidiaries	(10.72)	-
NET CASH USED IN INVESTING ACTIVITIES	2,502.91	(456.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash flows from Secured Loan	(1,933.42)	10.20
NET CASH USED IN FINANCING ACTIVITIES	(1,933.42)	10.20
Net increase in cash and cash equivalents	782.20	19.96
Cash and Cash equivalents (Op Balance)	248.36	228.40
Cash and Cash equivalents (Closing Balance)	1,030.56	248.36

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

SIGNIFICANT ACCOUNTING POLICIES

General :

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition :

- (i) The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.
- (ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Fixed Assets :

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.
- (ii) Capital Expenditure with respect to Research and Development Activities is capitalized from the date of completion and ready for use.

Depreciation and Amortization:

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortized over the period of 10 years.
- (iii) Depreciation on Technical Know how not created because revenues relating to the same not generated during the financial year.

Research and Development Expenses :

Costs related to internal research and development programs are expensed as incurred.

Inventories:

Inventories are valued at cost or market price whichever ever is lower.

Impairment:

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Profit and Loss account.

Gratuity :

The Company has made provision for the gratuity to its employees as per the provisions of the Payment of Gratuity Act, 1972.

M/s. VIVO BIO TECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 2012-13 (RUPEES)	AS AT 2011-12 (RUPEES)
NOTE NO. 1 : SHARE CAPITAL		
AUTHORISED:		
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL:		
93,50,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
Total Share Capital (Equity)	93,505,200	93,505,200
The company has only one class of shares referred to as		
Equity Shares having a par value of Rs.10/- each.		
The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
No. of Shares:	93,50,520	93,50,520

Details of Shareholder holding more than 5% shares of the company:

Name of the Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% held	No. of Shares	% held
Northern Union Ltd	10,35,000	11.07	10,35,000	11.07
Max Cell Phone Communications India Pvt Ltd	8,00,000	8.56	8,00,000	8.56
Cryptologic Systems Pvt Ltd	13,45,000	14.39	13,45,000	14.39
Iron Age India Limited	6,00,000	6.42	6,00,000	6.42
Iragavarapu Constructions Pvt Ltd	6,00,000	6.42	6,00,000	6.42
P.K.I Solutions Pvt Ltd	6,00,000	6.42	6,00,000	6.42
Every Wear Import and Export Pvt Ltd	13,50,000	14.44	13,50,000	14.44
Elite Class Asset Holdings Ltd	13,00,000	13.90	13,00,000	13.90

NOTE NO. 2 : RESERVES AND SURPLUS

Securities Premium

Opening Balance	15,840,000	15,840,000
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
	15,840,000	15,840,000

General Reserves

As at the commencement of the year	1,000,000	1,000,000
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
	1,000,000	1,000,000

Capital Profit

Negative balance of reserves and surplus account	(57,282,373)	(61,152,970)
Total Reserves and Surplus	(11,153,271)	(44,312,970)

M/s. VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2012-13 (RUPEES)	AS AT 2011-12 (RUPEES)
NOTE NO. 3 : LONG TERM BORROWINGS		
a) Term loans:		
From banks:		
Secured	5,441,858	185,373,980
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment ,Air conditioners and Personal guarantee of the Director of the Company)		
b) Other Loans and Advances		
Biotech Consortium India Ltd. A/c SBIRI	22,430,000	22,430,000
Loan From BIPP	7,984,945	
Total long term borrowings	35,856,803	207,803,980
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)		
Opening Deferred tax Liability	7,863,930	16,311,791
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	3,496,441	(8,447,861)
Deferred Tax Liability for the year (Due to Others)	353,451	-
Deferred Tax Liability/ (Asset) - Net	11,713,822	7,863,930
NOTE NO. 5 : LONG TERM PROVISIONS		
Provision for Gratuity	1,039,868	893,256
Total Long Term Provisions	1,039,868	893,256
NOTE NO. 6 : SHORT TERM BORROWINGS.		
Loans repayable on demand:		
From banks		
Unsecured	-	21,394,581
Total short term borrowings	-	21,394,581
NOTE NO. 7 : TRADE PAYABLES		
a) Trade Payables	87,355,104	93,194,962
Total Trade Payables	87,355,104	93,194,962
NOTE NO. 8 : OTHER CURRENT LIABILITES		
a) Other Payables (Creditors for Expenses & Equipment)	125,453,786	142,365,844
Total other current liabilities	125,453,786	142,365,844
NOTE NO. 9 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	222,286	148,057
Salaries Payable	2,600,962	3,322,854
Food Allowance	9,500	-
b) Others		
Statutory Liabilities		
TDS	612,984	542,525
ESI	(1,611)	34,299
Provision for Expenses		
Rent	8,470,800	5,400,000
Interest	-	8,982,451
Audit Fee	84,270	165,450
Professional Tax	4,500	6,700
ARE Related Expenses Payable	31,000,000	-
Total short term provisions	43,003,691	18,602,336

M/s. VIVO BIO TECH LIMITED

Note Number : 10 FIXED ASSETS

Sl. No.	Particulars	Gross Block			Depreciation/Amortization				Net Block as on 31.03.2013	Net Block as on 31.03.2012	
		As on 01.04.2012	Additions during the year	Sale / Deletions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Depn During the Period	Depreciation Deletions			Total Depreciation
I.	Tangible Assets										
	LAND	26,831,423	-	1,778,125	25,053,298	-	-	-	-	25,053,298	26,831,423
	BUILDING	194,566,976	-	194,566,976	-	17,329,432	1,353,120	18,682,552	-	-	177,237,544
	PLANT & MACHINERY	56,245,004	125,000	53,521,364	3,973,640	7,018,808	708,930	7,345,552	382,186	3,591,454	49,228,197
	ELECTRICAL EQUIPMENT	29,483,939	276,667	25,192,361	4,568,254	3,712,471	464,308	2,943,881	1,232,898	3,335,357	25,771,468
	LABORATORY EQUIPMENT	106,683,934	8,130,427	-	114,814,361	14,089,091	5,247,160	-	19,336,250	95,478,111	92,594,843
	OFFICE EQUIPMENT	14,503,949	-	11,108,178	3,395,771	2,037,403	270,722	1,370,136	937,988	2,457,782	12,466,545
	COMPUTERS	1,534,450	18,953	-	1,553,403	1,414,301	120,200	-	1,534,501	18,902	120,149
	FURNITURE	4,192,899	168,258	-	4,361,157	763,898	265,907	-	1,029,804	3,331,353	3,429,001
	VEHICLES	4,577,259	6,502,006	-	11,079,265	2,054,765	839,300	-	2,894,065	8,185,200	2,522,494
	Sub Total (a)	438,619,832	16,346,311	286,167,004	168,799,149	48,420,168	9,269,645	30,342,121	27,347,692	141,451,456	390,199,664
II.	Intangible Assets										
	Technical Know How	40,308,977	29,944,000	-	70,252,977	3,277,621	5,523,996	-	8,801,617	61,451,360	37,031,356
	Computer Software	5,212,686	-	-	5,212,686	1,228,329	844,976	-	2,073,305	3,139,381	3,984,357
	Sub Total (b)	45,521,663	29,944,000	-	75,465,663	4,505,950	6,368,972	-	10,874,922	64,590,741	41,015,713
	Grand Total (a+b+c)	484,141,495	46,290,311	286,167,004	244,264,811	52,926,118	15,638,617	30,342,121	38,222,614	206,042,197	431,215,377
	Previous Year	447,196,287	45,695,208	-	492,891,495	32,164,511	20,761,607	-	52,926,119	439,965,377	433,147,433

M/s. VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2012-13 (RUPEES)	AS AT 2011-12 (RUPEES)
NOTE NO. 11 : NON- CURRENT INVESTMENTS		
Investment in Subsidiaries		
a) Equity Shares		
100% Holding in Vivo Bio Discovery Services Pvt Ltd	100,000	100,000
100% Holding in Vivo Biolabs	1,271,875	100,000
100% Holding in Vivo Developers Pvt Ltd	-	100,000
Total Non Current Investments	1,371,875	300,000
NOTE NO.12 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	261,106	322,111
Total Other Non Current Assets	261,106	322,111
NOTE NO. 13 : INVENTORIES		
a) Stores and spares	439,385	203,744
Total Inventories	439,385	203,744
NOTE NO. 14 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	40,297,967	52,481,773
Total Trade Receivables	40,297,967	52,481,773
NOTE NO. 15 : CASH AND BANK BALANCES		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	675,699	2,087,162
2) Bank deposits with less than 12 months maturity	18,711,851	-
b) Cash on hand	62,146	66,596
c) Others: SBIRI - No Lien Account	7,877,424	22,682,479
Sub Total	27,327,120	24,836,237
Other Bank Balances		
On Deposit Accounts		
a) Having Maturity more than 12 Months from date of deposit	75,729,035	-
Sub Total	75,729,035	-
Total Cash and Cash Equivalents	103,056,155	24,836,237
NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES		
a) Security Deposit		
Secured	1,202,611	910,000
b) Loans and advances to related parties		
Unsecured	28,397,398	18,126,390
c) Other loans And advances		
Secured - Prepaid Insurance	-	76,732
Total short term loans & advances	29,600,009	19,113,122
NOTE NO.17 : OTHER CURRENT ASSETS		
TDS, Service Tax and Vat Credit	5,706,309	4,088,755
Total Other Current Assets	5,706,309	4,088,755

M/s. VIVO BIO TECH LIMITED
NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS

Particulars	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
NOTE NO. 18 : REVENUE FROM OPERATIONS		
Revenue from Services	143,656,661	124,788,829
Total Revenue from Operations	143,656,661	124,788,829
NOTE NO. 19 : OTHER INCOME		
(a) Interest income	7,221,552	507,122
(b) Net Gain/Loss on sale of business division	27,754,102	-
(c) Other non-operating income	(27,344,102)	-
Total Other Income	7,631,552	507,122
NOTE NO. 20 : CHANGE IN INVENTORIES & WIP.		
Finished Goods		
Finished goods at the beginning of the year	203,744	-
Less : Finished goods at the end of the year	439,385	203,744
Total Change in Inventories & WIP	(235,641)	(203,744)
NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	23,439,643	20,043,933
(b) Contribution to Provident & Other Funds	830,228	569,329
(c) Staff Welfare Expenses	451,695	498,225
Total Employee Benefit Expenses	24,721,566	21,111,487
NOTE NO. 22 : OTHER OPERATING EXPENSES		
(a) Power & Fuel	8,640,850	5,394,057
(b) Rent	36,304,464	3,000,000
(c) Repairs to Machinery	460,767	164,788
(d) Insurance	2,343,160	249,479
(e) Miscellaneous Expenditure	52,850	-
(f) Net loss on foreign currency transaction and translation	90,748	-
(g) Payment to Auditors:		
As Auditor	86,270	82,725
Total Other Expenses	47,979,109	8,891,049
NOTE NO. 23 : ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	711,464	91,138
(b) Business Promotion Expenses	2,580,875	170,713
(c) Conveyance	1,149,085	163,403
(d) Office Maintenance	716,151	1,323,589
(e) Printing & Stationery Expenses	27,600	158,218
(f) Rates & Taxes (excluding Income Tax)	394,690	47,724
(g) Managerial Remuneration	-	3,920,000
(h) Consultancy Charges	277,515	1,738,500
(i) Seminar Fee	60,676	19,500
(j) Development Expenses	133,349	-
(k) Professional Consultancy fee	1,739,773	-
(l) Interest on taxes Payable	17,832	-
Total Administrative Expenses	7,809,010	7,632,785

M/s. VIVO BIO TECH LIMITED
NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS

Particulars	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
NOTE NO. 24 : FINANCE COST		
Interest Expenses :		
- Interest on Cash Credit	-	33,842,572
- Loan processing Charges & Bank Charges	7,764,369	190,667
Total Finance Cost	7,764,369	34,033,239
NOTE NO. 25 : OTHER EXPENSES		
(a) Vehicle Maintenance	-	1,392,399
(b) Internet Charges	-	318,499
(c) AMC Charges	2,449,396	1,452,935
Total Other expenses	2,449,396	3,163,833

NOTE 26 :

Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975 : NIL

Note 27 :	Auditor's Remuneration:	Current Year (Rs.)	Previous Year (Rs.)
	Audit Fee	86,270/-	82,725/-
Note 28 :	Foreign Exchange inflow and outflow	Current Year (Rs.)	Previous Year (Rs.)
	Inflow :	Rs.6.46 Lacs	Rs.33.76 Lacs
	Out flow:	Rs.21.10 Lacs	Rs.59.01 Lacs

NOTE 29

There are no dues to SSI Units outstanding for more than 30 days.

NOTE 30

Confirmations were not obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.

NOTE 31

The Company has been awarded soft loan given by SBIRI (Small Business Innovation Research Initiative), Department of Bio Technology, towards the project - "Production of recombinant exenatide (Incretinmimetic like GLP-1) (Phase II) a new generation cure for Diabetes" given specifically for the R&D work being carried out by company's biologic division operating from the facility located at Pothaipally Village, Hakimpet recognized by DSIR (Department of Scientific and Industrial Research) as in-house R&D unit vide approval F.No. TU/IV-RD/2740/2010. Separate No Lien Account is opened for the project funds and will be spent towards projects objectives directly from that account.

A separate mortgage is created for the whole of movable and immovable properties acquired from the loan sanctioned by the DBT under the SBIRI scheme including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future (except book debts)

NOTE 32

The company has taken lease of 12,500 sft area, at prevailing market rates, from M/s Virinchi Technologies Limited for R&D division in which one of the promoters is a Director.

NOTE 33

Previous years figures have been regrouped wherever necessary.

NOTE 34

The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Vivo Bio Tech Limited, for the year ended 31st March, 2013. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with stock exchange and is based on and in agreement with the corresponding profit and loss Account and Balance Sheet of the Company covered by our report of 29th May, 2013 to the Members of the Company.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

P. MURALI MOHANA RAO
PARTNER.
Membership No. 23412

PLACE : HYDERABAD
DATE : 29-05-2013

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rs. Thousands)

1. Registration details	
Registration number	L65993AP1987PLC007163
State Code	01
Balance Sheet Date	31.03.2013
2. Capital raised during the year	
Public issue	NIL
Rights issue	NIL
Bonus issue	NIL
Conversion of bonds	NIL
Private placement	NIL
3. Position of Mobilisation and deployment of funds	
Total Liabilities	386,775.00
Total Assets	386,775.00
Source of funds	
Paid-up Capital	93,505.20
Reserves & Surpluses	(11,153.27)
Secured Loans	38,856.50
Unsecured Loans	NIL
Deferred Tax liability	11,713.82
Application of Funds	
Net fixed assets	206,042.20
Investments	1,371.88
Net Current Assets	(77,491.52)
4. Performance of Company	
Total Income	151,288.21
Total Expenditure	143567.72
Profit before tax	7720.49
Profit after tax	2399.84
Earning per share	0.26
Dividend Rate %	NIL
5. Generic names of three principal products/services of company	
Item code no	3004
Product Description	Pharmaceuticals

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANY

1	Name of the Subsidiary	Vivobio labs Pvt. Ltd.	Vivobio Discovery Services Pvt. Ltd.
2	Financial year end	31 st March, 2013	31 st March, 2013
3	Holding Company's Interest	100% in Equity Share Capital	100% in Equity Share Capital
4	Share held by the holding company in the subsidiary	10,000 equity Shares of Rs. 10/- each	10,000 equity Shares of Rs. 10/- each
5	The net aggregate of profits or losses for the above financial year of the subsidiary so far as it concerns the members of the holding company		
	a. dealt with or provided for in the accounts of the holding Company not dealt with or provided for in the accounts of the holding company	Nil	Nil
	b. Not dealt with or provided for in the accounts of the holding company	(5,618)	(5,618)
6	The net aggregate of profits or losses for the previous financial years of the subsidiary so far as it concerns the members of the holding company		
	a. dealt with or provided for in the accounts of the holding company	Nil	Nil
	b. Not dealt with or provided for in the accounts of the holding Company	Nil	Nil

INTENTIONALLY KEPT BLANK

Independent Auditors' report on consolidated financial statements

To the Members of Vivo Bio Tech Limited

We have audited the accompanying consolidated financial statements of Vivo Bio Tech Limited ('the Company') and its subsidiaries viz. Vivobio Labs Pvt. Ltd. and Viobio Discovery Services Pvt. Ltd. which comprise the Consolidated Balance Sheet as at 31st March, 2013, the consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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 accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and presentation 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss Account, the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flows for the year ended on that date.

PLACE : HYDERABAD
DATE : 29-05-2013

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

P. MURALI MOHANA RAO
PARTNER.
Membership No. 23412

M/s. VIVO BIO TECH LTD
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No	As on 31/03/2013 Rs	As on 31/03/2012 Rs
A. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	1	93,505,200	93,505,200
b) Reserves and Surplus	2	(11,153,271)	(44,312,970)
2. Non-Current Liabilities			
a) Long-term borrowings	3	35,856,803	207,803,980
b) Defferred tax liabilities (Net)	4	11,713,822	7,863,930
c) Long term provisions	5	1,039,868	893,256
3. Current Liabilities			
a) Short-term borrowings	6	-	21,394,581
b) Trade payables	7	87,355,104	93,194,962
c) Other current liabilities	8	125,453,786	142,365,844
d) Short-term provisions	9	43,009,309	18,613,572
Total		386,780,621	541,322,355
B. ASSETS			
1. Non-current assets			
a) Fixed assets	10		
(i) Tangible assets		142,733,356	390,199,664
(ii) Intangible assets		64,612,750	41,232,129
(iii) Capital work-in-progress		-	8,750,000
b) Other non-current assets	11	261,106	322,111
2. Current assets			
a) Inventories	12	439,385	203,744
b) Trade receivables	13	40,297,967	52,481,773
c) Cash and cash equivalents	14	103,129,739	24,931,057
d) Short-term loans and advances	15	29,600,009	19,113,122
e) Other current assets	16	5,706,309	4,088,755
Total		386,780,621	541,322,355

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

M/s. VIVO BIO TECH LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2013

Particulars	Note No	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
1. Revenue from operations	17	143,656,661	124,788,829
2. Other Income	18	7,631,552	507,122
3. Total Revenue (1+2)		151,288,213	125,295,951
4. Expenses:			
a) Purchase of Stock-in-Trade		37,380,293	31,220,349
b) Changes in inventories	19	(235,641)	(203,744)
c) Employee benefit expense	20	24,721,566	21,111,487
d) Other operating expenses	21	47,979,109	8,891,049
e) Administrative Expenses	22	7,809,010	7,632,785
f) Financial costs	23	7,764,369	34,033,239
g) Depreciation and amortization expense	10	15,699,622	20,822,612
h) Other expenses	24	2,449,396	3,163,833
Total Expenses		143,567,724	126,671,610
5. Profit before exceptional and extraordinary items and tax (3-4)		7,720,489	(1,375,659)
6. Exceptional Items			-
7. Profit before extraordinary items and tax (5 - 6)		7,720,489	(1,375,659)
8. Extraordinary Items		-	-
9. Profit before tax (7- 8)		7,720,489	(1,375,659)
10. Tax expense:			
(1) Current tax		1,470,753	-
(2) Deferred tax		3,849,892	(8,447,861)
11. Profit(Loss) from the period from continuing operations (9-10)		2,399,844	7,072,202
12. Profit/(Loss) for the period		2,399,844	7,072,202
13. Earning per equity share:			
(1) Basic		0.26	0.76
(2) Diluted		0.26	0.76

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad

Date : 29-05-2013

M/s. VIVO BIO TECH LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013

	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	77.20	(13.76)
ADJUSTMENTS FOR :		
Depreciation	157.00	207.62
Interest expenses	77.64	340.33
Deferred Tax	(38.50)	84.48
Written off Expenses	-	0.61
Operating Profit before working capital changes	273.34	619.28
Inventory	(2.36)	2.59
Interest paid	(77.64)	(340.33)
Trade Receivables	1.40	(122.51)
Trade payables	17.90	307.47
NET CASH FLOW FROM OPERATING ACTIVITIES	212.65	466.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	2,503.71	(456.95)
Goodwill	-	0.68
NET CASH USED IN INVESTING ACTIVITIES	2,503.71	(457.63)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash flows from Secured Loan	(1,933.42)	10.20
NET CASH USED IN FINANCING ACTIVITIES	(1,933.42)	10.20
Net increase in cash and cash equivalents	782.94	19.96
Cash and Cash equivalents (Op Balance)	248.36	230.25
Cash and Cash equivalents (Closing Balance)	1,031.30	249.31

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation :

The consolidated financial statements have been prepared on the basis of going concern, under the historical cost convention on accrual basis, to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act,1956.

These financial statements have been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

All inter company transactions, balances and unrealized surpluses and deficits are eliminated.

2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight duties, taxes and incidental expenses thereto.

All the fixed assets are assessed for any indication of impairment, at the end of each financial year. On such indication, the impairment loss, being excess of carrying value over the recoverable value of the assets, is charged to Profit and Loss account in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

3. Goodwill:

Goodwill represents the difference between the purchase price and the fair value of the assets and liabilities acquired after considering reserves transferred.

The excess of cost to the Parent company of its investment in the subsidiary company is recognized in the consolidated financial statements as goodwill.

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

M/s. VIVO BIO TECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 2012-13 (RUPEES)	AS AT 2011-12 (RUPEES)
NOTE NO. 1 : SHARE CAPITAL		
AUTHORISED:		
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL:		
93,50,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
Total Share Capital (Equity)	93,505,200	93,505,200
The company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- each.		
The number of shares outstanding at the beginning and at the end of the reporting period		
No. of Shares:	93,50,520	93,50,520

Details of Shareholder holding more than 5% shares of the company:

Name of the Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% held	No. of Shares	% held
Northern Union Ltd	10,35,000	11.07	10,35,000	11.07
Max Cell Phone Communications India Pvt Ltd	8,00,000	8.56	8,00,000	8.56
Cryptologic Systems Pvt Ltd	13,45,000	14.39	13,45,000	14.39
Iron Age India Limited	6,00,000	6.42	6,00,000	6.42
Iragavarapu Constructions Pvt Ltd	6,00,000	6.42	6,00,000	6.42
P.K.I Solutions Pvt Ltd	6,00,000	6.42	6,00,000	6.42
Every Wear Import and Export Pvt Ltd	13,50,000	14.44	13,50,000	14.44
Elite Class Assset Holdings Ltd	13,00,000	13.90	13,00,000	13.90

NOTE NO. 2 : RESERVES AND SURPLUS

Securities Premium

Opening Balance	15,840,000	15,840,000
	15,840,000	15,840,000

General Reserves

As at the commencement of the year	1,000,000	1,000,000
	1,000,000	1,000,000

Capital Profit

	29,289,102	-
	29,289,102	-

Negative balance of reservs and surplus account	(57,282,373)	(61,152,970)
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Total Reserves and Surplus	(11,153,271)	(44,312,970)
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M/s. VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2012-13 (RUPEES)	AS AT 2011-12 (RUPEES)
NOTE NO. 3 : LONG TERM BORROWINGS		
a) Term loans:		
From banks:		
Secured	5,441,858	185,373,980
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment ,Air conditioners and Personal guarantee of the Director of the Company)		
b) other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	22,430,000	22,430,000
Loan From BIPP	7,984,945	
Total long term borrowings	35,856,803	207,803,980
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)		
Opening Deferred tax Liability	7,863,930	16,311,791
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	3,496,441	(8,447,861)
Deferred Tax Liability for the year (Due to Others)	353,451	
Deferred Tax Liability/ (Asset) - Net	11,713,822	7,863,930
NOTE NO. 5 : LONG TERM PROVISIONS		
Provision for Gratuity	1,039,868	893,256
Total Long Term Provisions	1,039,868	893,256
NOTE NO. 6 : SHORT TERM BORROWINGS.		
Loans repayable on demand:		
From banks		
Unsecured	-	21,394,581
Total short term borrowings	-	21,394,581
NOTE NO. 7 : TRADE PAYABLES		
a) Trade Payables	87,355,104	93,194,962
Total Trade Payables	87,355,104	93,194,962
NOTE NO. 8 : OTHER CURRENT LIABILITES		
a) Other Payables (Creditors for Expenses & Equipment)	125,453,786	142,365,844
Total other current liabilities	125,453,786	142,365,844
NOTE NO. 9 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	222,286	148,057
Salaries Payable	2,600,962	3,322,854
Food Allowance	9,500	-
b) Others		
Statutory Liabilities		
TDS	612,984	542,525
ESI	(1,611)	34,299
Provision for Expenses		
Rent	8,470,800	5,400,000
Interest	-	8,982,451
Audit Fee	89,888	176,686
Professional Tax	4,500	6,700
ARE Related Expenses Payable	31,000,000	
Total short term provisions	43,009,309	18,613,572

M/s. VIVO BIO TECH LIMITED

Note Number : 10 FIXED ASSETS

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2013	Net Block as on 31.03.2012	
		As on 01.04.2012	Additions during the year	Sale / Deletions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Depn During the Period	Depreciation Deletions	Total Depreciation			
I.	Tangible Assets											
	LAND	26,831,423	1,281,900	1,778,125	26,335,198	-	-	-	-	26,335,198	26,831,423	
	BUILDING	194,566,976	-	194,566,976	-	17,329,432	1,353,120	18,682,552	-	-	177,237,544	
	PLANT & MACHINERY	56,245,004	125,000	53,521,364	3,973,640	7,018,808	708,930	7,345,552	382,186	3,591,454	49,226,197	
	ELECTRICAL EQUIPMENT	29,483,939	276,667	25,192,361	4,568,254	3,712,471	464,308	2,943,881	1,232,898	3,335,357	25,771,468	
	LABORATORY EQUIPMENT	106,683,934	8,130,427	-	114,814,361	14,089,091	5,247,160	-	19,336,250	95,478,111	92,594,843	
	OFFICE EQUIPMENT	14,503,949	-	11,108,178	3,395,771	2,037,403	270,722	1,370,136	937,988	2,457,782	12,466,545	
	COMPUTERS	1,534,450	18,953	-	1,553,403	1,414,301	120,200	-	1,534,501	18,902	120,149	
	FURNITURE	4,192,899	168,258	-	4,361,157	763,898	265,907	-	1,029,804	3,331,353	3,429,001	
	VEHICLES	4,577,259	6,502,006	-	11,079,265	2,054,765	839,300	-	2,894,065	8,185,200	2,522,494	
	Sub Total (a)	438,619,832	17,628,211	286,167,004	170,081,049	48,420,168	9,269,645	30,342,121	27,347,692	142,733,356	390,199,664	
II.	Intangible Assets											
	Technical Know How	40,308,977	29,944,000	-	70,252,977	3,277,621	5,523,996	-	8,801,617	61,451,360	37,031,356	
	Computer Software	5,212,686	-	-	5,212,686	1,228,329	844,976	-	2,073,305	3,139,381	3,984,357	
	Goodwill on consolidation	-	22,009	-	22,009	-	-	-	-	22,009	216,416	
	Sub Total (b)	45,521,663	29,966,009	-	75,487,672	4,505,950	6,368,972	-	10,874,922	64,612,750	41,232,129	
	Grand Total (a+b+c)	484,141,495	47,594,220	286,167,004	245,568,720	52,926,118	15,638,617	30,342,121	38,222,614	207,346,106	431,431,793	
	Previous Year	447,344,977	45,762,934	-	493,107,911	32,164,511	20,761,607	-	52,926,118	440,181,793	433,444,813	

M/s. VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2012-13 (RUPEES)	AS AT 2011-12 (RUPEES)
NOTE NO.11 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	261,106	322,111
Total Other Non Current Assets	261,106	322,111
NOTE NO. 12 : INVENTORIES		
a) Stores and spares	439,385	203,744
Total Inventories	439,385	203,744
NOTE NO. 13 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	40,297,967	52,481,773
Total Trade Receivables	40,297,967	52,481,773
NOTE NO. 14 : CASH AND BANK BALANCES		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	675,699	2,087,162
2) Bank deposits with less than 12 months maturity	18,711,851	-
b) Cash on hand	135,730	161,416
c) Others: SBIRI - No Lien Account	7,877,424	22,682,479
Sub Total	27,400,704	24,931,057
Other Bank Balances		
On Deposit Accounts		
a) Having Maturity more than 12 Months from date of deposit	75,729,035	-
Sub Total	75,729,035	-
Total Cash and Cash Equivalents	103,129,739	24,931,057
NOTE NO. 15 : SHORT TERM LOANS AND ADVANCES		
a) Security Deposit		
Secured	1,202,611	910,000
b) Loans and advances to related parties		
Unsecured	28,397,398	18,126,390
c) Other loans And advances		
Secured - Prepaid Insurance	-	76,732
Total short term loans & advances	29,600,009	19,113,122
NOTE NO.16 : OTHER CURRENT ASSETS		
TDS, Service Tax and Vat Credit	5,706,309	4,088,755
Total Other Current Assets	5,706,309	4,088,755

M/s. VIVO BIO TECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS

Particulars	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
NOTE NO. 17 : REVENUE FROM OPERATIONS		
Revenue from Services	143,656,661	124,788,829
Total Revenue from Operations	143,656,661	124,788,829
NOTE NO. 18 : OTHER INCOME		
(a) Interest income (Other than a finance company)	7,221,552	507,122
(b) Net Gain/Loss on sale of business division	27,754,102	-
(c) Other non-operating income	(27,344,102)	-
Total Other Income	7,631,552	507,122
NOTE NO. 19 : CHANGE IN INVENTORIES & WIP.		
Finished Goods		
Finished goods at the beginning of the year	(235,641)	(203,744)
Less : Finished goods at the end of the year	-	-
Total Change in Inventories & WIP	(235,641)	(203,744)
NOTE NO. 20 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	23,439,643	20,043,933
(b) Contribution to Provident & Other Funds	830,228	569,329
(c) Staff Welfare Expenses	451,695	498,225
Total Employee Benefit Expenses	24,721,566	21,111,487
NOTE NO. 21 : OTHER OPERATING EXPENSES		
(a) Power & Fuel	8,640,850	5,394,057
(b) Rent	36,304,464	3,000,000
(c) Repairs to Machinery	460,767	164,788
(d) Insurance	2,343,160	249,479
(e) Miscellaneous Expenditure	52,850	-
(f) Net loss on foreign currency transaction and translation	90,748	-
(g) Payment to Auditors:		
As Auditor	86,270	82,725
Total Other Expenses	47,979,109	8,891,049
NOTE NO. 22 : ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	711,464	91,138
(b) Business Promotion Expenses	2,580,875	170,713
(c) Conveyance	1,149,085	163,403
(d) Office Maintenance	716,151	1,323,589
(e) Printing & Stationery Expenses	27,600	158,218
(f) Rates & Taxes (excluding Income Tax)	394,690	47,724
(g) Managerial Remuneration	-	3,920,000
(h) Consultancy Charges	277,515	1,738,500
(i) Seminar Fee	60,676	19,500
(j) Development Expenses	133,349	-
(k) Professional Consultancy fee	1,739,773	-
(l) Interest on taxes Payable	17,832	-
Total Administrative Expenses	7,809,010	7,632,785

M/s. VIVO BIO TECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS

Particulars	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
NOTE NO. 23 : FINANCE COST		
Interest Expenses :		
- Interest on Cash Credit	-	33,842,572
- Loan processing Charges & Bank Charges	7,764,369	190,667
Total Finance Cost	7,764,369	34,033,239
NOTE NO. 24 : OTHER EXPENSES		
Vehicle Maintenance	-	1,392,399
Internet Charges	-	318,499
AMC Charges	2,449,396	1,452,935
Total Other expenses	2,449,396	3,163,833

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board
For **Vivo Bio Tech Ltd.**

P. Murali Mohana Rao
Partner
Membership No. 23412

Dr. A. Sankaranarayanan
Whole Time Director & CEO

M. Kalyan Ram
Whole Time Director

Place : Hyderabad
Date : 29-05-2013

Details pertaining to Subsidiary companies as per the requirement of Para (IV) of the directions under Section 212(8) of the Companies Act, 1956, issued by the Ministry of Corporate affairs vide General Circular No. 2/2011 Dated February 8, 2011

Sl. No.	Particulars	Vivobio labs Pvt. Ltd.	Vivobio Discovery Services Pvt. Ltd.
1	Share Capital	1,00,000	1,00,000
2	Reserves and Surplus (Including Debit balance of P&L)	(62,826)	(64,826)
3	Total Assets	1,314,692	40,792
4	Total Liabilities	1,277,518	5,618
5	Investments (Excluding subsidiaries)	Nil	Nil
6	Turnover	Nil	Nil
7	Profit/Loss before tax	(5,618)	(5,618)
8	Provision for tax (Including deferred Tax)	Nil	Nil
9	Profit/Loss after tax	(5,618)	(5,618)
10	Proposed Dividend	NIL	Nil

VIVOBIO TECH LIMITED

Regd. Office: 608, Lingapur Complex, Himayat Nagar, Hyderabad-500 029

ATTENDANCE SLIP

I hereby record my presence at the 26th Annual General Meeting of the Company being held on Saturday, the 28th day of September, 2013 at 1.00 P.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad -500 026

Name of the Shareholder:

Name of Proxy:

Signature of Member / Proxy:

Regd. Folio No. / *Client id:

*Applicable for members holding shares in Electronic Form.

Note: PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE



VIVOBIO TECH LIMITED

Regd. Office: 608, Lingapur Complex, Himayat Nagar, Hyderabad-500 029

PROXY FORM

Regd. Folio No/

No. of Shares held

Client ID

I/ We of

..... in the district of being

a member(s) of the above named company hereby appoint of

..... in the district of or failing

him Of in the district of

..... as my/our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Saturday, the 28th September, 2013 at 1.00 PM or at any adjournment thereof.

Signed thisday of 2013

Signature

Affix
Re. 1/-
Revenue
Stamp

Note: The proxy form duly completed should be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the meeting.