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Annual General meeting on Tuesday, September 30, 2014 at 2.30 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:

608, Lingapur complex,
Himayatnagar
Hyderabad-500 029
Telangana
Phone# 040-2783608/10

Corporate Office:

A-1 3rd Floor, Surabhi Plaza,
Vikrampuri, Karkhana,
Secunderabad-500 009
Phone# 040-27890664/5

Auditors

M/s. P. Murali & Co.,
6-3-655/2/3,
Somajiguda
Hyderabad-500 082
Phone# 040-2332 6666

Main Bankers

M/s. Canara Bank
Industrial finance branch
Hyderabad

Registrar & Share Transfer Agents

M/s. Aarthi Consultants Private Ltd
1-2-285, Domalguda,
Hyderabad - 500029
Phone# 91-40-27634445, 27638111
Fax: 91-40-27632184

Dr. Sankaranarayanan

CEO & Whole Time Director

Kalyan Ram Mangipudi

Whole Time Director

Datuk Kunasingam V Sittampalam

Independent and Non-Executive Director

Sunder Kanaparthi

Independent and Non-Executive Director

Challapalli Varun Kumar

Company Secretary

CEO's Message

As we reflect on the highlights of the previous year, there is a consistent theme of actual realization of several long term pursuits last year across our pre-Clinical services.

By the very nature of our industry, investments typically have a five year realization period, initiatives transcend multiple financial years and goals don't necessarily translate into quarter on quarter on-ground accomplishments. At times, such latency in direct business impact challenges the faith in the vision of the organization.

In this context, a financial year as the one gone by, asserts the confidence on solid investments made by the company, which shall now form the bulwark of long term stable revenue momentum.

Specifically, I congratulate you and the entire Vivo family on achieving the GLP certification making us at par with all International accredited pre-Clinical laboratories with respect to Good Lab Practices.

GLP accreditation is recognized across OECD countries as a testament of highest quality of lab processes, internationally accepted results and interoperability of international lab protocols. Considering the handful list of GLP accredited labs in India, this accreditation significantly opens doors in the western market for seeking Contract research opportunities. The fact that efforts toward this started 4 years back, this accreditation attests the focused and consistent effort made by the team over the past few years. That the company also saw multiple successful audits and visits from customers, regulators and partners, including the renewal of our AAALAC accreditation, attests the highest quality standards maintained by the pre-clinical laboratory.

Further, the 12 month continuous Month on Month all time sales highs achieved in our SPF animal sales deserves recognition. This consistent MoM growth over the past year, moves the Animal Sale business from an entrepreneurial high investment high risk business to a stable, growing and predictable source of steady cash flows. The major investments made in building and maintaining the largest lab animal house in the country have now truly started generating organic cash as witnessed over the past 12 months. That we could win over 50 customers in 12 months, constituting over 60% of the customer share, shows the strong promise of the business and undeniable leadership position offered in the field of Lab Animal Breeding.

The cell line development and associated drug discovery activities have also seen significant momentum with continued support from Govt. of India agencies namely SBIRI and BIPP which have supported the projects through funding as well as technical oversight. Vivo Bio Tech signed up technical partnerships with reputed international Biosimilar companies like Biosidus, Argentina and Vasgene, N. America to strengthen the development and roll out of low cost high quality Biosimilar drugs.

Outlook FY2014

As in the past, we take this opportunity to reiterate our faith on our investments and strengthen our commitment to develop further cash generating projects to create long term value for all the stakeholders. Like in any business, the changing market as well as the rapid innovation cycle presents its own challenges to win in the market. Vivo Bio Tech company has a strong portfolio of market facing services built on highest quality standards to compete and win consistently on the global scale.

With additional pre-Clinical services and high acceptance of the lab animals across the Indian market, we are confident of achieving significant revenue growth on back of long term sustainable technological advantage.

I personally thank our bankers, our shareholders and our employees for their continued trust and consistent confidence in Vivo Bio Tech

Dr. A. Sankaranarayanan, Ph.D., F.C.P.
Chief Executive Officer & Whole Time Director

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September, 2014, at 2.30 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2014; 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 M Kalyan Ram holding DIN: 02012580 who retires by rotation, and being eligible, offers himself for re-appointment.
3. To Consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies(Audit and Auditors) Rules, 2014 as amended from time to time, M/s. P.Murali & Co, Chartered Accountants (FRN. 007257S), who retire at the conclusion of this Annual General Meeting(AGM), be and are hereby appointed as statutory auditors of the company for a period of 5 years i.e. till the conclusion of the AGM of the company to be held in the year 2019(subject to ratification of their appointment by members at every AGM) at such remuneration plus service tax, out of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the company and the auditors .”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sunder Kanaparthi (holding DIN 00914869), Director of the Company who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Kunasingam V Sittampalam (holding DIN 00518881), Director of the Company who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Hariharan R (holding DIN 06883959), Additional Director of the Company who meets criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September, 2014.”

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

“RESOLVED THAT in supersession of the Resolution passed previous General Meeting in this regard and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to hypothecate / mortgage and/or charge in addition to the hypothecations / mortgages and/or charges created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated, both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of the Company’s Bankers / Financial Institutions / Lenders / other investing agencies and trustees for the holders of Debentures / Bonds / other instruments / securities to secure any Rupee / Foreign currency Loans, Guarantee assistance, Standby Letter of Credit / Letter of Credit and/ or any issue of Non-Convertible Debentures and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other Non-Convertible and/or other Partly / Fully Convertible instruments / securities, with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies including any increase as a result of devaluation / revaluation/ fluctuation in the rates of exchange of foreign currencies involved payable by the Company to the Lenders under their respective Loan Agreements/Subscription Agreement entered into/to be entered into by the Company in respect of the said borrowings / assistance, within the overall ceiling prescribed by the members of the Company in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such deeds, documents, instruments and writings, as may be necessary for creating the aforesaid hypothecations/ mortgages / and/or charges and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to the above resolution.”

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

“RESOLVED THAT in supersession of the resolution adopted at the previous General Meeting in this regard and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to borrow any sum or sums of money from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) including rupee equivalent of foreign currency loans may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount so borrowed shall not at any time exceed 10 (ten) times the aggregate of the paid up capital and free reserves of the Company over and above the paid up capital and free reserves of the Company.”

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

“RESOLVED that pursuant to the provisions of Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder (the “Act”) and any applicable subsisting sections of the Companies Act, 1956, as amended, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to and in accordance with any other applicable law or regulation in India or outside India including without limitation, the

provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI (ICDR) Regulations”), the Listing Agreements entered into with the respective stock exchanges where the shares of the Company are listed, the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations framed there under as in force and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines thereon issued from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Registrar of Companies (the “RoC”) and the stock exchanges where the shares of the Company are listed (“Stock Exchanges”) and subject to requisite approvals, consents, permissions and/or sanctions if any, of the Government of India, the SEBI, the RoC, the Stock Exchanges and other appropriate statutory, regulatory or other authority (including RBI) and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting any such approvals, consents, permissions, and/ or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise one or more of its powers including the powers conferred hereunder), the Board be and is hereby authorized to, on behalf of the Company, create, offer, issue and allot up to 56,30,000 Warrants (“Warrants”) on a preferential allotment basis, to below stated entities which shall be exercisable into equity shares of the Company at the option of the Warrant holder at an issue/exercise price of Rs.20 per share or any other price determined by board of Directors no later than 18 months from the date of their allotment in accordance with the SEBI (ICDR) Regulations or other provisions of the law as may be prevailing at the time of allotment of equity shares/ exercise of warrants.”

S.No	Name of Proposed allottee	PAN	Category
1	P.K.I. Solutions private limited	AAECP0467B	Promoter Group
2	Iragavarapu Constructions Private Limited	AABCV3341D	Promoter Group
3	Iron Age India Limited	AAACI8877J	Promoter Group
4	Mallemkonda Realities Private Limited	AAFCM4364F	Public

RESOLVED FURTHER that the relevant date, as per the SEBI ICDR Regulations for the determination of issue price of the Warrants to be allotted pursuant to the preferential allotment is fixed as 30th August, 2014 i.e. 30 days prior to the date of shareholders meeting to approve the proposed preferential issue in terms of Section 62(1)(c) of the Act.

RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of equity shares of the Company as may be required to be issued and allotted upon exercise of the Warrants by the Warrant holder(s).

RESOLVED FURTHER that the equity shares to be allotted upon exercise of Warrants shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs. 10/- each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER that for the purpose of giving effect to the Resolutions described above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things and execute such agreements, deeds and other documents including without limitation the private placement offer letter, with regard to the issue or allotment of aforesaid Warrants and issue or allotment of equity shares pursuant to exercise of the Warrants and listing of the equity shares to be allotted pursuant to exercise of Warrants with the Stock Exchange(s) as it may, in its absolute discretion, deem fit and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants and the utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, the lead managers, or other authorities or agencies involved in or concerned with the proposed issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company, without being required to seek any further consent or

approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board vide this Resolution may be exercised by the Board or such committee thereof as the Board may constitute or has constituted in this behalf, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing Resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors, or any whole-time director or directors or any other officer or officers of the Company to give effect to the aforesaid Resolutions.”

10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution

“RESOLVED THAT Smt. Lakshmi Nadgir (DIN: 03115198, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years “.

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

“RESOLVED THAT subject to the provisions of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into various transactions with M/s. Virinchi Technologies Limited, a Promoter group Company, for an aggregate value of Rs. 2 crores over a period of 36 months starting from 1st April, 2014, on such terms and conditions as may be agreed to by the Board, provided however that the transactions so carried out shall at all times be on arm’s length basis and in the ordinary course of the Company’s business.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

BY ORDER OF THE BOARD
For VIVO BIO TECH LIMITED

PLACE : HYDERABAD
DATE : 30/08/2014

Challapalli Varun Kumar
Company Secretary

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. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- b) The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.102 of the Companies Act, 2013 is annexed hereto. Particulars of the Directors who are proposed to be appointed /re-appointed at this meeting as required under Clause 49 of the Listing Agreement is provided in Corporate Governance. The Directors have furnished the requisite declarations for their appointment/re-appointment
- c) The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 20th September, 2014 to 30th September 2014 (both days inclusive) in connection with the AGM.
- d) Members holding shares in physical form may write to the Company/Company's R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
- e) 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.
- h) SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, along with a photocopy of the PAN Card, to the R&T Agent of the Company, M/s. Aarthi Consultants Private Limited.
- i) In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the Electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.
- j) The Company has appointed Mr. M. Praneeth Reddy Practicing Chartered Accountant as Scrutinizer for conducting e-voting process for the 27th Annual General Meeting of the Company in a fair and transparent manner.
- k) **Instructions For E- Voting**
Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting to be held on Tuesday, 30th September, 2014 at 2.30 P.M. The Company engaged the services of Central Depository Services (India) Limited (CDSL) to provide the E-Voting facility.

The instructions for members for voting electronically are as under:-

The voting period begins on Tuesday, 16th September, 2014 at 9.00 a.m. and ends on Thursday, 18th September at 6.00 p.m. During this period shareholders' of the company, holding shares either in Physical Form or Dematerialised form, as on the cut off date 30th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(a) Instructions for e-voting

- i) The shareholders should log on to the e-voting website www.evotingindia.com.
- ii) Click on “Shareholders” tab.
- iii) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) i Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field i Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA12345678'.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in Physical form will then reach directly to the voting screen.
- ix) Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- x) Click on the relevant EVSN for the “Vivo Bio Tech Limited” on which you choose to vote.

- x) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) Note for Non-Individual Shareholders & Custodians:
 - v Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - v They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - v After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - v The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 4

Mr. Sunder Kanaparthi is a Non-Executive Independent Director of the Company. Mr. Sunder Kanaparthi is Member of the Audit Committee, Nomination and Remuneration Committee, and Investors' Grievance Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors Report. Sunder Kanaparthi does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sunder Kanaparthi being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Sunder Kanaparthi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Sunder Kanaparthi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sunder Kanaparthi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sunder Kanaparthi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sunder Kanaparthi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Sunder Kanaparthi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5

Mr. Kunasingam V Sittampalam is a Non-Executive Independent Director of the Company. Kunasingam V Sittampalam is Member of Nomination and Remuneration Committee and Investors' Grievance Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors Report. Kunasingam V Sittampalam does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Kunasingam V Sittampalam being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Kunasingam V Sittampalam as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Kunasingam V Sittampalam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kunasingam V Sittampalam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kunasingam V Sittampalam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kunasingam V Sittampalam as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kunasingam V Sittampalam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Hariharan R is a Additional Director of the Company. Mr. Hariharan R is not a Member in any Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors Report. Hariharan R does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Hariharan R being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from

In the opinion of the Board, Mr. Hariharan R fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr Hariharan R as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Hariharan R as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Hariharan R as an Independent Director, for the approval by the shareholders of the Company.

Except Mr Hariharan R ,being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

Item No. 7

In the previous General Meeting of the Company, the members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 approved by way of an Ordinary Resolution increase in the borrowing limit to 10 (ten) times of the aggregate of the paid up capital and free reserves of the Company over and above the paid up capital and free reserves of the Company and authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow upto Rs. 1000 Crores (Rupees One Thousand Crores) over and above the paid up capital and free reserves of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Your Directors recommend the resolution at Item No. 7 for your approval

Item No.8

At the previous Annual General Meeting, the members had pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 empowered the Board, by way of Special Resolution in terms of Article 67 of Articles of Association of the Company, to hypothecate / mortgage and / or creation of charge in addition to the Hypothecations / Mortgages and / or charges created by the Company, all or any part of the moveable and/or immoveable properties of the Company, wherever situated both present & future, and/or create a floating charge on all or any part of the immovable properties of the Company, to secure the borrowings of the Company, within the overall ceiling prescribed by the Members of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not, inter alia lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings except with the consent of the Company accorded by way of a Special resolution.

The hypothecation/mortgage/ creation of charge for the borrowings, by the Company of its properties as and when undertaken would attract the provisions of the said section 180(1)(a) of the Companies Act, 2013.

It is, therefore, desirable for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of the Notice, to enable the Board of Directors to mortgage, create charges and/ or hypothecate the Company's properties as and when necessary to secure any Rupee/Foreign currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures, and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other non-convertible and/or partly/fully convertible instruments/securities, from time to time, within the overall ceiling prescribed by the Members of the Company, in terms of section 180(1)(c) of the Companies Act, 2013 for which approval of members is being sought by way of Special Resolution at Item No. 7.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or Interested, financial or otherwise, in the resolution set out at Item No. 8.

Your Directors recommend the resolution at Item No. 8 for your approval.

Item No. 9

Pursuant to provisions of Section 62 (1)(c) of Companies Act, 2013 (the "Act") any preferential allotment of Securities needs to be approved by the shareholders by way of a Special Resolution. Further, in terms of Regulation 73 of SEBI ICDR Regulations, 2009, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting :

i. The objects of the preferential issue :

To meet funding requirements towards proposed capital expenditures, operational expenditure and working capital with respect to the projects being set up by the Company, its subsidiaries and associate companies and for general corporate purposes.

- ii. The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer :**

No shares are being offered to Directors or Key Managerial Personnel or relatives of the Directors or Key Managerial Personnel of the Company.

- iii. Relevant Date :**

The Relevant date for the purpose of calculation of price of the specified Securities is 31st August, 2014, being 30 days prior to the date of the Meeting to approve the proposed preferential issue in accordance with the SEBI (ICDR) Regulations.

- iv. Basis or Justification of Price :**

The issue price will be determined in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations.

Since the Company is listed on BSE Limited and, the trading volume of Securities of the Company on both the stock exchanges has been considered to determine the higher trading volume for computation of issue price.

The proposed allotment of Warrants shall be made at the issue/exercise price of Rs.20 (Rupees Twenty) per specified Security or such other price as determined by the board, which is not less than the higher of the (a) average of the weekly high and low of the closing prices of the equity shares quoted on the BSE Limited (being the recognized stock exchange on which the higher trading volume in respect of equity shares of the Company has been recorded during the 26 weeks prior to the Relevant Date) during the 26 weeks preceding the Relevant Date and (b) average of the weekly high and low of the closing price of the equity shares quoted on the BSE Limited during the two weeks preceding the Relevant Date.

- v. If required, the Company shall re-compute the issue price mentioned above in accordance with the SEBI ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottee within the time stipulated under the SEBI ICDR Regulations, the specified securities allotted shall continue to be locked in till the time such amounts are paid.**

- vi. Terms of Warrants to be issued to the allottees**

- a. At any time after the date of allotment of the Warrants but on or before the expiry of 18 months from the date of allotment of the Warrants, the proposed allottee(s) of the Warrants will be entitled, in one or more tranches, to apply for and obtain allotment of such number of equity shares of face value of Rs.10 each of the Company for each Warrant, as would be calculated on the basis of an exercise price of Rs.20 per equity share or such other price as determined by the board of face value of Rs.10 of the Company.
- b. Upon receipt of the Warrants exercise notice, the Board (or a Committee authorized by the Board) shall allot such number of equity shares of face value of Rs 10 each of the Company for each Warrant, as would be calculated on the basis of an exercise price of Rs.20 per equity share of the Company or such other price as determined by the board by appropriating Rs.10 each towards equity share capital of the Company and the balance amount paid, towards securities premium.
- c. The equity shares issued pursuant to an exercise of the Warrants shall rank pari passu in all respects including with respect to dividend, with the then fully paid-up equity shares of the Company.

vii. Identity of proposed allottee(s), percentage of expanded capital to be held by them:

S.No	Name of the Proposed Allottee (s)	Present Holding	% of Pre-Issue Capital	Present Issue	% of Post Issue Capital (after exercise of warrants)*
1	P.K.I. Solutions private limited	600,000	6.42%	16,50,000	11.01%
2	Iragavarapu Constructions Private Limited	600,000	6.42%	16,50,000	11.01%
3	Iron Age India Limited	600,000	6.42%	13,00,000	8.68%
4	Mallemkonda Realities Private Limited	NIL	NIL	10,30,000	6.88%

***Assuming exercise by the relevant allottee(s) of all Warrants and subject to compliance with the minimum public shareholding requirements, as applicable, including under Rule 19A of the Securities Contracts (Regulation) Rules, 1957**

viii. Shareholding Pattern before and after the issue of shares involved in the present resolution is as below:

Category Code	Category of Shareholder	Pre-issue		Post-Issue (After exercise of Warrants)*	
		Pre-issue Shares held	% to Total Holding	Post-Issue Shares held	% to Total Holding
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian Promoters (A)	5229083	55.92	10859083	65.61
(2)	Foreign Promoters(A)	1185000	12.67	1185000	7.91
	Sub-Total(A1)	6414083	68.6	11,014,083	73.52
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds / UTI/ Banks/ FIs	0	0	0	0
(b)	Foreign Institutional Investors	0	0	0	0
	Sub-Total (B1)	0	0	0	0
(2)	Non-institutions				
(a)	Bodies Corporate	1358835	14.53	2388835	15.95
(b)	Individuals	277602	2.97	277602	1.85
(c)	Foreign Corporate Bodies/ NRIs	1300000	13.90	1300000	8.68
(d)	Others	0	0	0	0
	Sub-Total (B2)	2936437	31.4	3966437	26.48
	GRAND TOTAL (A)+(B)(1)+(B)(2)	9350520	100	14,980,520	100

*Assuming exercise by the relevant allottee(s) of all Warrants and subject to compliance with the minimum public shareholding requirements, as applicable, including under Rule 19A of the Securities Contracts (Regulation) Rules, 1957

ix. The time within which the preferential issue shall be completed :

The allotment of the Warrants on preferential basis will be completed within a period of 15 days from the date of passing of the aforesaid special resolution. Provided that where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of such approval or permission.

x. Change in control, if any, in the Company consequent to the preferential issue :

There shall be no change in control of the Company pursuant to the issue of Warrants.

xi. Others : The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations shall be placed before the shareholders at the meeting.

As it is proposed to issue and allot the aforesaid Securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62(1)(c) of the Act and Chapter VII of the SEBI (ICDR) Regulations.

The Board believes that the proposed offer, issue and allotment will be in the interest of the Company and its shareholders.

The Board recommends passing of the aforesaid Resolution as a Special Resolution. Neither the key managerial personnel of the Company nor their relatives are in any way concerned or interested, financially or otherwise in this Resolution. The Directors of the Company and/or their relatives may be deemed to be concerned or interested, financially or otherwise in the proposed Resolution to the extent of Securities issued/allotted to companies owned or controlled by them., in any way, concerned or interested in the said resolution.

Item No. 10

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Smt. Lakshmi Nadgir (DIN: 03115198) be appointed as a Director of the Company.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Lakshmi Nadgir for the office of Director of the Company.

Smt. Lakshmi Nadgir is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She does not hold any shares in the company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or Interested, financial or otherwise, in the resolution set out at Item No.10

Your Directors recommend the resolution at Item No. 10 for your approval

Item No.11

The revised Clause 49 provides that all existing material related party contracts or arrangements which are likely to continue beyond 31st March, 2015 shall be placed for approval of the shareholders in the first general meeting subsequent to 1st October, 2014 or alternatively a Company may get those related party contracts or arrangements approved before 1st October, 2014. The revised Clause 49 interalia provides that transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher.

The particulars of the transactions with related party are given below

Sl.No	Particulars	Details
1	Name of the related Party	Virinchi Technologies
2	Nature of Relationship	Common promoters and common directors
3	Nature of arrangement	Leasing of premises on Rent

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or Interested, financial or otherwise, in the resolution set out at Item No.1.

Your Directors recommend the resolution at Item No. 11 for your approval

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 : Sunder Kanaparthi

Age : 48 years

Qualifications : B.SC.L.L.B

Expertise : He has around 20 years of experience in corporate law practice and advisor to various corporate and government companies

Membership of committee : NIL

Shareholding : NIL

Other Directorships : NIL
2. Name : Kunasingam V Sittampalam

Age : 61 years

Qualifications : Bachelor of Engineering (Hons) and Master of Engineering degrees from Sheffield University, United Kingdom.

Expertise : He has 32 years of Business Experience in the field of software development. He is at present a member of the Harvard Business School Alumni Club of Malaysia. Kunasingham is a Fellow of Institution of Engineers, Malaysia, a registered Professional Engineer, Board of Engineers Malaysia and a Member of the Institution of Highways and Transportation. He is also the director of HSS Intesys Sdn. Bhd, the IT subsidiary of HSS Integrated Group, providing value added services in engineering software, planning and scheduling work

Membership of committee : NIL

Shareholding : NIL

Other Directorships : 2
3. Name : Hariharan R

Age : 33 Years

Qualifications : CA, M.com

Expertise : He has 10 years' experience in the field of accounting , finance and Taxation. He is a practicing Chartered Accountant from 2009.

Membership of committee : NIL

Shareholding : NIL

Other Directorships : NIL

4. **Name** : **Dr. Lakshmi N**
- Age** : **70**
- Qualifications** : **M.B.B.S.**
- Expertise** : **She has 30 years experience in the field of high risk obstetrics, gynecological oncology.**
- Membership of committee** : **NIL**
- Shareholding** : **NIL**
- Other Directorships** : **NIL**
5. **Name** : **M. Kalyan Ram**
- Age** : **36**
- Qualifications** : **M.B.A.**
- Expertise** : **He has 12 years experience in the field of Accounting, Finance Administration.**
- Membership of committee** : **NIL**
- Shareholding** : **NIL**
- Other Directorships** : **NIL**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 27th Directors' Report on the business and operations of your company, for the financial year ended 31st March, 2014.

Financial Highlights:

	(Rs. in Lakhs)	
Particulars	2013-14	2012-13
Total Income	1700.84	1,512.88
Profit before interest, Depreciation and Tax	263.24	311.84
Interest	39.29	77.64
Depreciation	156.25	157.00
Provision for Taxation	12.90	0
Profit after interest, Tax and depreciation	54.80	77.20
Deferred Tax provision	25.43	38.50
Balance brought forward	(572.82)	(611.53)
Balance Carried to Balance Sheet	(543.46)	(572.82)

RESULTS OF OPERATIONS:

Following are the results of operations for the financial year 2013-14

BUSINESS PERFORMANCE

Revenues: The total income of the Company for the FY 2013-14 comprises operating revenues of Rs.1700.84 Lakhs as against Rs. 1,512.88 Lakhs in FY 2012-13.

Profits: Profit before Tax (PBT) stood at Rs. 67.70 Lakhs as against Rs. 77.20 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 29.37 Lakhs as against Rs. 38.70 Lakhs for the previous year.

Reserves and Surplus

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

Dividend

Your directors did not recommend any dividend on shares for this year.

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

None of the directors of the company is disqualified under the provisions of the act or under the Listing agreement with the stock exchanges.

Appointments:

In accordance with the provisions of the Companies Act, 1956 M. Kalyan Ram will retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

In terms of Section 149 and Schedule IV Companies Act, 2013 and in compliance with Clause 49 of Listing Agreement following Directors are proposed to be appointed as Independent Directors of the company for five consecutive years for a term upto 31st March, 2019.

1. Sunder Kanaparthi
2. Kunasingam V Sittampalam
3. Hariharan R

Smt. Lakshmi Nadgir is appointed as Director of company in compliance with section 164 and clause 49 of listing Agreement.

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.

Cessations:

None of the Directors ceased to Director of the company during period under review.

Allotment of Shares:

The Company has not allotted any shares during the period under review.

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:

- i) In the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards had 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 2014 and of the profit of the company for the financial year ended 31st March, 2014.
- 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, 2014 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 consent letter from the statutory auditors and certificate indicating satisfaction of criteria stated in Section 141 of Companies Act, 2013.

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., Director's 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.

Fixed Deposits

The Company has not accepted any fixed deposits as on 31st March, 2014 so as to attract the provisions of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of the Deposits) Rules, 1975 as amended from time to time.

Subsidiary Companies

The details pertaining to financials of 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 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 who are 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

Corporate Governance Report is set out as separate Annexure to this Report.

Management Discussion and Analysis

Management's Discussion and Analysis report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges is presented in a separate section forming part of the Annual 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 for hard work, solidarity, cooperation and support put in by the company's employees at all levels in enabling such growth

BY ORDER OF THE BOARD
For VIVO BIO TECH LIMITED

PLACE : HYDERABAD
DATE : 30-08-2014

Dr. A. Sankaranarayanan
Chief Executive Officer &
Whole Time Director

M. Kalyan Ram
Whole Time Director

Annexure to the Directors Report

Information required under Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

a) Conservation 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

Particulars		For Year ended 31 st March 2014	For Year ended 31 st March 2013
A.	Power and Fuel Consumption		
	Electricity		
	a. Electricity Purchase Units	17,48,302	9,41,819
	Total Amount	1,63,51,614	73,77,777
	Rate per unit (Average)	9.35	7.80
b.	Own Generation from Diesel	1,20,675	1,10,450
	Generator Unit Rate per Unit	10.13	9.85

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 and Outgo:

Details of foreign exchange earnings and outgo during the year as follows :

(Rs. in Lakhs)

Particulars	FY 2013-14	FY 2012-13
Foreign Exchange Earnings	749.40	6.46
Foreign Exchange Outgo for Capital Expenditure	138.29	21.10

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:

- ✓ The Company has 4 Directors comprising of 2 Executive Directors and 2 Independent Non – Executive Directors which is in compliance with the Clause 49 of Listing Agreement.
- ✓ 6 Board Meetings were held during the Financial Year 2013-14 and the gap between two Meetings did not exceed four months. The dates on which the said meetings were held are as follows:

29th May, 2013, 30th July 2013, 13th August 2013, 29th August 2013, 12th November, 2013 and 13th February, 2014
- ✓ The necessary quorum was present for all meetings.
- ✓ During the year, information as mentioned in Annexure 1A to clause 49 of the Listing Agreement has been placed before the board for its consideration.

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

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of other Director - ships #	Committee Member-ships	Committee Chairmanship
Kalyan Ram Mangipudi	Whole Time Director	6	Yes	-	-	-
Alangudi Sankaranarayanan	Whole Time Director	6	Yes	-	-	-
K.V.Sittampalam	Independent Non-Executive Director	-	No	2	-	-
Sunder Kanaparthi	Independent Non-Executive Director	6	No	-	-	-

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 and Audited results. The constitution of the Committee and the attendance of each member of the Committee are given below:

Name of the Director	Designation	Nature of Directorship	Committee Meetings attended
Sunder Kanaparthi	Chairman	Independent Non-Executive Director	5
M. Kalyan Ram	Member	Whole Time Director	5
Kunasingam V. Sittampalam	Member	Independent Non-Executive Director	0

The Meetings of Audit Committee were also attended by the representatives of Statutory Auditor as Invitees. 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.

Mr. Challapalli Varun Kumar* is the Secretary of the Committee.

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
- ✓ 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.

*Mr. Challapalli Varun Kumar was appointed as company Secretary with effect from 9th March, 2014.

4. REMUNERATION COMMITTEE:

The Remuneration Committee is constituted as follows.

Name of the Director	Designation	Nature of Directorship
Sunder Kanaparthi	Chairman	Independent
KunasingamV. Sittampalam	Member	Independent
M. Kalyan Ram	Member	Whole Time Director

The terms of reference of the remuneration committee are as follows:

- | The Remuneration committee recommends to the board, the compensation terms of the Executive Directors
- | Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOPs, Pension Rights and any Compensation Payment.
- | Considering approving and recommending to the board the changes in the designation and increase in salary of the executive directors
- | Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- | Bringing about objectivity in determining the remuneration package while striking a balance between the interest of our company and the shareholders.

Details of remuneration to the directors for the Year:

Name of the Director	Remuneration paid during the year 2013-14(in Rs.)		
	Sitting Fees	Salary	Total
Dr. A. Sankaranarayanan	-	30,00,000	30,00,000
M. Kalyan Ram	-	1,83,704	1,83,704
Sunder Kanaparthi	25,000	-	25,000
KunasingamV. Sittampalam	-	-	-
K. Sri Kalyan	-	1,50,000	1,50,000

Shares held by Non-Executive Directors as on 31st March, 2014 are as follows:

S.No.	Name of the Director	No. of shares held as on the Date
1	Kunasingam V. Sittampalam	NIL
2	Sunder Kanaparthi	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 Sunder Kanaparthi 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. Aarhi Consultants Private Limited.

Composition of the Committee:

Name	Designation	Category
Sunder Kanaparthi	Chairman	Independent Non-Executive Director
Kunasingam V. Sittampalam	Member	Independent Non-Executive Director
M. Kalyan Ram	Member	Whole Time Director

Name & Designation of the Compliance officer: Mr.Challapalli Varun Kumar, Company Secretary

The total No. of Complaints received and complied during the year were; Opening: 1 Complaints Received: 11 Complied:- 12 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. Aarhi Consultants Pvt. Ltd.

The outstanding complaints as on 31st March, 2014 were: NIL

6. 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
2012-13	28/09/2013 1.00PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	1. Appointment of Mr.M. Kalyan Ram as Whole Time Director of the Company, for a period of 3(Three) years with effect from 30 th July,2013 on a monthly remuneration of Rs.30,000 Per month. 2. Authorization to the Board to create, offer, issue and allot 10,00,000 (Ten Lakhs Only) Equity Shares of Rs.10/- each at a premium to be decided as per the SEBI guidelines, to strategic investors of the company.
2011-12	29/09/2012 1.00PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	1. Reappointment of Dr.Sankaranarayanan as Whole TimeDirector
2010-11	29/09/2011 4.00 PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	NIL

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 Praja Shakthi and Financial Express. The Company has also posted its Quarterly results, shareholding pattern, Code of Conduct etc on the website of the company at www.vivobio.com

9. General Shareholder information

- a) AGM: Date, Time and Venue : 30th September, 2014 at 2.30 PM, at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Maredpally, Secunderabad-500026. A.P.
- b) Financial Year : 1st April to 31st March
- Financial Reporting for :**
- Quarter ending June 30, 2014 : Before end of August,2014
- Quarter ending September 30, 2014 : Before end of November,2014
- Quarter ending December 31, 2014 : Before end of February, 2015
- Quarter ending March 31, 2015 : Before end of May, 2015
- c) Date of Book Closure : 20.09.2014 to 30.09.2014 (both days inclusive)
- d) Listing on Stock Exchanges Bombay : The Company's Equity shares are listed on the Stock Exchange (BSE)
- e) Payment of Listing Fee : The Company has paid the listing fees to the BSE for the financial year 2014-15
- f) Stock Code : BSE: 511509
- Demat ISIN in NSDL and CDSL : INE380K01017
- g) Market Price Data

The Monthly high and low quotation and the volume of shares traded on The Stock exchange, Mumbai are as under:

Month	Highest (Rs.)	Lowest (Rs.)	Volume of Shares traders traded
Jan-13	13.5	13.5	2295
Feb-13	14.17	13.55	3895
Mar-13	14.22	13.05	136
Jun-13	13.7	13.7	3151
Feb-14	14.38	13.85	717
Mar-14	15.09	14.38	1178

Source: www.bseindia.com

- h) Registrar and Share transfer agents : Aarhi Consultants Pvt Ltd.
1-2-285, Domalguda, Hyderabad -500 029.
Ph: 27634445, 27638111 Fax: 27632184
- i) Share Transfer System : The Share transfers are being effected physically by the Company's share transfer agents, M/s. Aarhi Consultants Pvt. Ltd, Hyderabad.
- j) Distribution of Shareholding as on 31st March, 2014

Shareholding of Nominal Value	Shareholders			Shares held	
	Rs.	Numbers	% of total	No.	% of total
	(1)	(2)	(3)	(4)	(5)
1	5000	5894	98.93	218157	2.33
5001	10000	14	0.23	9340	0.1
10001	20000	10	0.17	12960	0.14
20001	30000	2	0.03	4970	0.05
30001	40000	1	0.02	3080	0.03
40001	50000	1	0.02	5000	0.05
50001	100000	8	0.13	70777	0.76
100001	And above	28	0.47	9026236	96.53
TOTAL		5958	100	9350520	100

- k) Share holding pattern as on 31st March 2014

Category	No. of Shares held	% Age of Shareholding
A. PROMOTER'S HOLDING:	5229083	55.92
1. Promoters*		
- Indian Promoters		
- Foreign Promoters	1185000	12.67
2. Persons acting in Concert #	Nil	Nil
B. NON-PROMOTERS HOLDING		
1. Institutional Investors	Nil	Nil
2. Mutual Funds	Nil	Nil
3. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non- government Institutions)	Nil	Nil
4. FIIs	Nil	Nil
C. OTHERS		
1. Private Corporate Bodies	1358820	14.53
2. Indian Public	277617	2.97
3. NRIs / OCBs	1300000	13.9
4. Employees	Nil	Nil
5. Clearing Members	Nil	Nil
TOTAL	9350520	100.00

l) Dematerialization of Shares and liquidity:

Since the Company has entered into an arrangement with both the depositories, namely NSDL and CSDL for dematerialization of its shares, the shareholders of the Company are free to dematerialize their shares and keep them in dematerialized form with any depository Participant. The Company shares are regularly traded on The Stock Exchange, Mumbai. 78.06% of the Company's share capital is dematerialized as on 31.03.2014.

Outstanding GDRs./ADRs./Warrants/Convertible instruments, Conversion date and likely Impact on equity: - NIL

m) Address for Correspondence : Vivo Bio Tech Limited, 608, Lingapur Complex, Himayatnagar, Hyderabad - 500029

n) Non -Mandatory Requirements :

The Chairperson is entitled to reimbursement of expenses incurred in performance of their duties. 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.

BY ORDER OF THE BOARD
For VIVO BIO TECH LIMITED

PLACE: HYDERABAD
DATE : 30-08-2014

Dr. A. Sankaranarayanan
Chief Executive Officer &
Whole Time Director

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:

I. Industry structure and developments

Changing economic and business conditions, evolving consumer preferences, rapid technological 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.

Increasing trend towards offshore technology services

Corporations are increasingly turning to offshore service providers to meet their need for higher quality and cost-competitive technology solutions. As a result, offshore service providers have become critical to the operations of many enterprises and these service providers continue to grow in recognition and sophistication. In view of this, the addressable market for offshore technology services has expanded.

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 Pre clinical 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

Vivo Bio Tech is a full service CRO offering drug development & discovery services to pharmaceutical & biotech companies world-wide in accordance with GLP (OECD), AAALAC & IND guidelines. The company offers services in the areas of In vitro, In vivo, toxicity studies, pharmacological investigations; pharmacokinetics & toxic kinetic studies etc. 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.

Our company has to follow the rules and regulation set by the CPCSEA (Committee for the purpose of Control & Supervision of Experiments on Animals) which is governing authority for all animal houses in India. CPCSEA mainly emphasis humane care of animals used in biomedical and behavioral research and testing with the basic objective of providing specifications that will enhance animal well-being. Our facility has required expertise and infrastructure in order to keep and maintain animals in a healthy environment as per the aforesaid regulations.

Intense competition:

The company is facing competition globally upcoming animal breeding houses There is competition for customers on the basis of several factors- 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.

Outlook:

In the next fiscal year, we anticipate –

- | To setup canine breeding facility
- | To increase breeding capacity from 6000 animals per month to 15,000 animals per month
- | To step up guinea pigs and Rabbits breeding facility
- | To Increase R& D activities in the field of DMPK

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 underprice our contracts or otherwise overrun our cost estimates. Such underpricing or major cost overruns could have a material unfavorable effect on our business, results of operations, financial condition, and cash flows.

Internal Control Systems & their adequacy:

The Company has a well-defined internal control system that is adequate and commensurate with the size and nature of its business. Internal Audit department is put in place and adequate internal controls are established to ensure that all assets are safeguarded and protected against any loss from unauthorized use or or disposition and all the transactions are authorized, recorded and reported correctly. Regular and in depth internal Audit is conducted by the qualified Chartered Accountants to ensure that all internal controls are in order. 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 2013-14 was Rs.1700.84 Lacs as against the income of Rs. 1512.88 Lacs for the year 2012-13.

Material Developments in Human Resources

Human Resource is one of the important drivers of the Company. At Vivo Intellectual Capital is most Valuable asset. It recognizes the importance of linking employees to the Company's strategy.

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. 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.

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 M. Kalyan Ram, Whole Time Director declare that the Board of directors and senior management personnel have affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

BY ORDER OF THE BOARD
For VIVO BIO TECH LIMITED

PLACE: HYDERABAD
DATE : 30-08-2014

M. Kalyan Ram
Whole Time Director

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, 2014 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. 023412

PLACE: HYDERABAD
DATE: 28/05/2014

Certification as required under Revised Clause 49 of the Listing Agreement

We, Sunder Kanaparthi, Independent Director, 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 un true 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
 - a) all significant changes in internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

Sunder Kanaparthi
Independent Director

PLACE : HYDERABAD
DATE : 30/08/2014

M Kalyan Ram
Whole Time Director

INDEPENDENT AUDITOR'S REPORT

To the Members of
VIVO BIO TECH LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of Vivo Bio Tech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies Act 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (c) 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") 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 and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies Act 2013.
 - e) On the basis of written representations received from the directors as on March 31st 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2014, 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
FRN:007257S

P. MURALI MOHANA RAO
PARTNER.
Membership No. 023412

PLACE : HYDERABAD
DATE : 28/05/2014

ANNEXURE TO AUDITOR'S REPORT

- I.** (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical presence have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II.** (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III.** (a) The Company has not granted loans secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted loans, the clause of whether the rate of interest & other term and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of the company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties is not applicable.
- (d) No loans have been granted to companies, firms & other parties listed in the register U/s 301 of the Companies Act, 1956. Hence, the clause is not applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which the loans have been taken from parties listed in the register maintained U/s 301 is prejudicial to the interest of the Company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest and principal amount to parties is not applicable to the company.
- IV.** In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and inventories and payments of expenses & for sale of goods. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V.** (a) In our opinion and according to the information and explanations given to us, necessary entries are made in the register referred to in Sec. 301 of the companies Act, 1956 in respect of lease agreement for an area of 12500 sft. at Hakimpet, Secunderabad with Lessee (Virinchi Technologies Ltd).
- (b) As per information & explanations given to us, apart from the above there is no contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.

- VI.** The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per the information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.
- VII.** In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII.** In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX.** (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, 2014 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 amount 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.
- X.** 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.
- XI.** According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII.** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII.** 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.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise .
- XVI.** According to the information and explanations given to us, Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the company.
- XVII.** According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment during the audit period.

- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX.** According to the information and explanations given to us, the company has not issued debentures and hence the applicability of clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year; hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN:007257S

PLACE : HYDERABAD
DATE : 28/05/2014

P. MURALI MOHANA RAO
PARTNER.
Membership No. 023412

M/s. VIVO BIO TECH LTD
BALANCE SHEET AS AT 31-03-2014

PARTICULARS	Note No	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
A. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	1	93,505,200	93,505,200
b) Reserves and Surplus	2	(8,216,439)	(11,153,271)
2. Non-Current Liabilities			
a) Long-Term Borrowings	3	35,459,779	35,856,803
b) Deferred Tax Liabilities	4	14,256,739	11,713,822
c) Long Term Provisions	5	1,297,404	1,039,868
3. Current Liabilities			
a) Short-Term Borrowings	6	30,769,842	-
b) Trade Payables	7	85,471,626	87,355,104
c) Other Current Liabilities	8	102,756,377	125,453,786
d) Short-Term Provisions	9	45,147,781	43,003,691
Total		400,448,309	386,775,003
B. Assets			
1. Non-Current Assets			
a) Fixed Assets			
(i) Tangible Assets	10	147930488	141,451,456
(ii) Intangible Assets	10	56720467	64,590,741
b) Non-Current Investments	11	1,371,875	1,371,875
c) Other Non-Current Assets	12	321,955	261,106
2. Current assets			
a) Inventories	13	3,070,509	439,385
b) Trade Receivables	14	43,046,510	40,297,967
c) Cash and Cash Equivalents	15	112,359,462	103,056,155
d) Short-Term Loans and Advances	16	31,166,567	29,600,009
e) Other Current Assets	17	4,460,476	5,706,309
Total		400,448,309	386,775,003

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 Registration No. 007257S

For and on behalf of the Board
For Vivo Bio Tech Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

Dr. A. Sankaranarayanan **M. Kalyan Ram**
Whole Time Director & CEO **Whole Time Director**

Place : Hyderabad
Date : 28-05-2014

Challapalli Varun Kumar
Company Secretary

M/s. VIVO BIO TECH LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2014

PARTICULARS	Note No	Year Ended 31/03/2014 Rs.	Year Ended 31/03/2013 Rs.
1. Revenue from Operations	18	161,255,212	143,656,661
2. Other Income	19	8,829,164	7,631,552
3. Total Revenue (1+2)		170,084,376	151,288,213
4. Expenses:			
a) Purchases		29,497,209	37,380,293
b) Changes in Inventories	20	(2,631,124)	(235,641)
c) Employee Benefit Expense	21	22,280,455	20,801,566
d) Other Operating Expenses	22	68,213,251	47,979,109
e) Administrative Expenses	23	24,455,610	11,729,010
f) Financial Costs	24	3,928,972	7,764,369
g) Depreciation and Amortization Expense	10	15,625,314	15,699,622
h) Other Expenses	25	1,944,970	2,449,396
Total Expenses		163,314,657	143,567,724
5. Profit before exceptional and extraordinary items and tax (3-4)		6,769,719	7,720,489
6. Exceptional Items		-	-
7. Profit before extraordinary items and tax (5-6)		6,769,719	7,720,489
8. Extraordinary Items		-	-
9. Profit before tax (7- 8)		6,769,719	7,720,489
10. Tax expense:			
(1) Current tax		1,289,970	-
(2) Deferred tax		2,542,917	3,849,892
11. Profit/(Loss) for the period		2,936,832	3,870,597
12. Earning per equity share:			
(1) Basic		0.31	0.41
(2) Diluted		0.31	0.41

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 Registration No. 007257S

**For and on behalf of the Board
For Vivo Bio Tech Limited**

P.Murali Mohana Rao
Partner
Membership No. 023412

Dr. A. Sankaranarayanan M. Kalyan Ram
Whole Time Director & CEO Whole Time Director

Place : Hyderabad
Date : 28-05-2014

Challapalli Varun Kumar
Company Secretary

M/s. VIVO BIO TECH LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014

Particulars	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	67.70	77.20
ADJUSTMENTS FOR :		
Depreciation	156.25	157.00
Interest expenses	39.29	77.64
Deferred Tax	-	(38.50)
Operating Profit before Working Capital Changes	263.24	273.34
Inventory	(26.31)	(2.36)
Interest paid	(39.29)	(77.64)
Taxation for the year	(12.90)	-
Trade Receivables	(31.30)	1.40
Trade payables	85.90	17.96
NET CASH FLOW FROM OPERATING ACTIVITIES	239.34	212.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(142.34)	2,513.63
Investments in Subsidiaries	-	(10.72)
NET CASH USED IN INVESTING ACTIVITIES	(142.34)	2,502.91
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash flows from Secured Loan	(3.97)	(1,933.42)
NET CASH USED IN FINANCING ACTIVITIES	(3.97)	(1,933.42)
Net increase in cash and cash equivalents	93.03	782.20
Cash and Cash equivalents (Op Balance)	1030.56	248.36
Cash and Cash equivalents (Closing Balance)	1123.59	1,030.56

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 Registration No. 007257S

**For and on behalf of the Board
For Vivo Bio Tech Limited**

P.Murali Mohana Rao
Partner
Membership No. 023412

Dr. A. Sankaranarayanan M. Kalyan Ram
Whole Time Director & CEO Whole Time Director

Place : Hyderabad
Date : 28-05-2014

Challapalli Varun Kumar
Company Secretary

A. SIGNIFICANT ACCOUNTING POLICIES:

a) General:

- (i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(iii) Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

b) Cash and Cash Equivalents

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

c) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

d) Tangible and Intangible Assets

i) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

Product development Expenditure is written off over a period of 10 years. Products which are considered as redundant due to Technological advancement would be written off immediately.

iii) Depreciation and Amortization:

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.

Preliminary Expenses are amortized over the period of 10 years.

Depreciation on Technical Knowhow not created because revenues relating to the same not generated during the financial year.

e) Revenue Recognition:

- (i) The company follows the mercantile system of accounting and recognise 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.

f) Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

g) Gratuity:

The Company has made a provision for gratuity to its employees. Gratuity is a defined benefit retirement plan covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment.

h) Earnings per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

i) Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognize Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

j) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a charge in the estimate of recoverable amount.

k) Leases

Lease rental in respect of operating lease arrangements are charged to expense in the Statement of Profit and Loss on a straight line basis as per the term of the related agreement.

Other leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

l) Research and development

Expenditure on internal research activities undertaken is recognized as expense in the statement of profit and loss when incurred.

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are neither recognized nor disclosed in the financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

M/s. VIVO BIO TECH LIMITED

NOTES FORMING PART OF BALANCE SHEET

NOTE NO. 1 : SHARE CAPITAL

PARTICULARS	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
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	No. of shares
Equity Shares at the Beginning	93,50,520	93,50,520
Equity Shares at the end of the year	93,50,520	93,50,520

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

Name of the Shareholder	As at 31.03.2014	As at 31.03.2013
	No. of Shares	No. of Shares
Northern Union Ltd	10,35,000	10,35,000
Max Cell Phone Communications India Pvt Ltd	8,00,000	8,00,000
Cryptologic Systems Pvt Ltd	13,45,000	13,45,000
Iron Age India Ltd	6,00,000	6,00,000
Iragavarapu Constructions Pvt Ltd	6,00,000	6,00,000
P.K.I Solutions Pvt Ltd	6,00,000	6,00,000
Every Wear Import and Export Pvt Ltd	13,50,000	13,50,000
Elite Class Asset Holdings Ltd	13,00,000	13,00,000

PARTICULARS	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
NOTE NO. 2 : RESERVES AND SURPLUS		
RESERVES AND SURPLUS		
a) Securities Premium	15,840,000	15,840,000
b) General Reserves		
	1,000,000	1,000,000
c) Capital Reserve		
As at the commencement of the year	29,289,102	-
Add: Additions during the year	-	29,289,102
	29,289,102	29,289,102
d) Surplus		
As at the commencement of the year	(57,282,372)	(61,152,970)
Add: Additions during the year (Transfer from Profit & Loss a/c)	2,936,832	3,870,597
	(54,345,540)	(57,282,372)
Total Reserves and Surplus	(8,216,439)	(11,153,271)
NOTE NO. 3 : LONG TERM BORROWINGS		
a) Term loans:		
From banks:		
Secured	5,044,834	5,441,858
(Hypothecation of Vehicles 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	7,984,945
Total long term borrowings	35,459,779	35,856,803
NOTE NO. 4 : DEFERRED TAX LIABILITY		
Opening Deferred tax Liability	11,713,822	7,863,930
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	2,983,905	3,496,441
Deferred Tax Liability for the year (Due to Others)	(440,988)	353,451
Deferred Tax Liability	14,256,739	11,713,822

PARTICULARS	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
NOTE NO. 5 : LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for Gratuity	1,297,404	1,039,868
Total Long Term Provisions	1,297,404	1,039,868
NOTE NO. 6 : SHORT TERM BORROWINGS.		
Loans repayable on demand:		
From banks		
Secured	30,769,842	-
(Hypothecation of Stock and Book Debts, Personal Gurantee of Promoters of the company & Equitable Mortgage of Lands)		
Total short term borrowings	30,769,842	-
NOTE NO. 7 : TRADE PAYABLES		
Trade Payables	85,471,626	87,355,104
Total Trade Payables	85,471,626	87,355,104
NOTE NO. 8 : OTHER CURRENT LIABILITES		
Other Payables (Creditors for Expenses & Equipment)	102,756,377	125,453,786
Total other current liabilities	102,756,377	125,453,786
NOTE NO. 9 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	207,844	222,286
Salaries Payable	1,862,688	2,600,962
Food Allowance	9,000	9,500
b) Others		
Statutory Liabilities		
TDS	640,726	612,984
ESI	63,937	(1,611)
Provision for Expenses		
Income tax	1,289,970	-
Rent	11,541,600	8,470,800
Electricity Charges	929,843	-
Audit Fee	84,270	84,270
Professional Tax	6,950	4,500
ARE Related Expenses Payable	28,510,953	31,000,000
Total short term provisions	45,147,781	43,003,691

M/s. VIVO BIO TECH LIMITED

Note Number : 10

FIXED ASSETS AS ON 31st March 2014

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as at 31.03.2014	Net Block as at 31.03.2013	
		As at 01.04.2013	Additions during the Year	Sale / Deletions during the year	As at 31.03.2014	Dep. As at 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation			
I.	Tangible Assets											
	LAND	25,053,298	-	-	25,053,298	-	-	-	-	-	-	25,053,298
	PLANT & MACHINERY	3,973,640	-	-	3,973,640	382,186	188,748	-	570,934	-	-	3,402,706
	ELECTRICAL EQUIPMENT	4,568,254	28,263	-	4,596,517	1,232,898	217,360	-	1,450,258	-	-	3,146,259
	LABORATORY EQUIPMENT	114,814,361	13,008,363	-	127,822,724	19,336,250	5,776,081	-	25,112,331	-	-	102,710,393
	OFFICE EQUIPMENT	3,395,771	114,717	-	3,510,488	937,988	166,307	-	1,104,296	-	-	2,406,193
	COMPUTERS	1,553,403	16,030	-	1,569,433	1,534,501	20,475	-	1,554,976	-	-	14,457
	FURNITURE	4,361,157	676,299	-	5,037,456	1,029,804	306,917	-	1,336,721	-	-	3,700,735
	VEHICLES	11,079,265	390,399	-	11,469,664	2,894,065	1,079,152	-	3,973,217	-	-	7,496,447
	Sub Total (a)	168,799,149	14,234,071	-	183,033,220	27,947,892	7,755,040	-	35,102,792	-	-	147,930,488
II.	Intangible Assets											
	Technical Know How	70,252,977	-	-	70,252,977	8,801,617	7,025,298	-	15,826,914	-	-	54,426,062
	Computer Software	5,212,686	-	-	5,212,686	2,073,305	844,976	-	2,918,282	-	-	2,294,404
	Sub Total (b)	75,465,663	-	-	75,465,663	10,874,922	7,870,274	-	18,745,196	-	-	56,720,467
	Grand Total (a+b)	244,264,812	14,234,071	-	258,498,883	38,222,814	15,625,314	-	53,847,928	-	-	204,650,955
	Previous Year	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	206,042,197

PARTICULARS	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
NOTE NO. 11 : NON- CURRENT INVESTMENTS		
Investment in Subsidiaries		
a) Equity Shares		
100% Holding in Vivobio Discovery Services Pvt. Ltd.	100,000	100,000
100% Holding in Vivobio Labs Pvt. Ltd.	1,271,875	1,271,875
Total Non Current Investments	1,371,875	1,371,875
NOTE NO.12 : OTHER NON - CURRENT ASSETS		
a) Unamortised Expenses	261,106	261,106
b) Deferred Financial Charges	60,849	-
Total Other Non Current Assets	321,955	261,106
NOTE NO. 13 : INVENTORIES		
a) Stores and spares	409,739	439,385
b) Others (Rodent Feed & Others)	2,660,770	-
Total Inventories	3,070,509	439,385
NOTE NO. 14 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	43,046,510	40,297,967
Total Trade Receivables	43,046,510	40,297,967
NOTE NO. 15 : CASH AND BANK BALANCES		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	11,251,598	675,699
2) Bank deposits with less than 12 months maturity	17,834,572	18,711,851
b) Cash on hand	44,361	62,146
c) Others: SBIRI - No Lien Account	7,792,479	7,877,424
Sub Total	36,923,010	27,327,120
Other Bank Balances		
On Deposit Accounts		
a) Having Maturity more than 12 Months from date of deposit	75,436,452	75,729,035
Sub Total	75,436,452	75,729,035
Total Cash and Cash Equivalents	112,359,462	103,056,155

Particulars	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES		
a) Security Deposit		
Secured	2,702,611	1,202,611
b) Loans and advances to related parties		
Unsecured	28,463,956	28,397,398
Total short term loans & advances	31,166,567	29,600,009
NOTE NO.17 : OTHER CURRENT ASSETS		
TDS, Service Tax and Prepaid Insurance	4,460,476	5,706,309
Total Other Current Assets	4,460,476	5,706,309

NOTES TO STATEMENT OF PROFIT & LOSS

Particulars	Year Ended 31/03/2014 Rs.	Year Ended 31/03/2013 Rs.
NOTE NO. 18 : REVENUE FROM OPERATIONS		
Revenue from Operations	161,255,212	143,656,661
Total Revenue from Operations	161,255,212	143,656,661
NOTE NO. 19 : OTHER INCOME		
(a) Interest income	8,819,050	7,221,552
(b) Other Income	10,114	410,000
Total Other Income	8,829,164	7,631,552
NOTE NO. 20 : CHANGE IN INVENTORIES		
Finished Goods		
Finished goods at the beginning of the year	439,385	203,744
Less : Finished goods at the end of the year	3,070,509	439,385
Total Change in Inventories	(2,631,124)	(235,641)
NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	20,088,168	19,519,643
(b) Contribution to Provident & Other Funds	1,508,590	830,228
(c) Staff Welfare Expenses	683,697	451,695
Total Employee Benefit Expenses	22,280,455	20,801,566
NOTE NO. 22 : OTHER OPERATING EXPENSES		
(a) Power & Fuel	17,763,614	8,640,850
(b) Rent	49,973,698	36,304,464
(c) Repairs to Machinery	135,610	513,617
(d) Insurance	274,835	2,343,160
(e) Net loss on foreign currency transaction	(18,776)	90,748
(f) Payment to Auditors:		
(i) As Auditor	84,270	86,270
Total Other Operating Expenses	68,213,251	47,979,109

Particulars	Year Ended 31/03/2014 Rs.	Year Ended 31/03/2013 Rs.
NOTE NO. 23 : ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	417,391	711,464
(b) Business Promotion Expenses	5,438,839	2,580,875
(c) Conveyance	1,999,723	1,149,085
(d) Office Maintenance	3,359,703	716,151
(e) Printing & Stationery Expenses	231,665	27,600
(f) Rates & Taxes (excluding Income Tax)	3,245,273	394,690
(g) Managerial Remuneration	3,358,704	3,920,000
(h) Consultancy Charges	4,104,931	2,017,288
(i) Seminar Fee	125,470	194,025
(j) Royalty	2,173,911	-
(k) Interest on taxes Payable	-	17,832
Total Administrative Expenses	24,455,610	11,729,010
NOTE NO. 24 : FINANCE COST		
Interest Expenses :		
Interest on Working Capital	3,928,972	7,764,369
Total Finance Cost	3,928,972	7,764,369
NOTE NO. 25 : OTHER EXPENSES		
AMC Charges	1,944,970	2,449,396
Total Other expenses	1,944,970	2,449,396

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	84,270/-	86,270/-
Note: 28	Foreign Exchange Inflow & Outflow	Current Year (Rs.)	Previous year (Rs.)
	a) Inflow	Rs.749.40Lacs	Rs.6.46Lacs
	b) Outflow for Capital Expenditure	Rs.138.29 Lacs	Rs.21.10 Lacs

Note: 29

There is no marketable value of livestock used for R&D purpose, hence not considered in financials.

Note 30: Investments

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable. Provision for diminution in the value of investments is not created as it is not a permanent decline.

Details of Investment in Wholly Owned Subsidiaries.

1. Wholly Owned Subsidiaries

S No.	Name of the Subsidiary	Amount (Rs)
1	Vivobio Labs Pvt Ltd	12,71,875
2	Vivobio Discovery services Pvt Ltd	1,00,000

Note 31: Earning per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Particulars	2013-2014	2012-2013
Profit available for the equity share holders	29,36,832	38,70,597
No. of equity shares outstanding for EPS-Basic	93,50,520	93,50,520
No. of equity shares outstanding of EPS-Diluted	93,50,520	93,50,520
Basic	0.31	0.41
Diluted	0.31	0.41

Note: 32

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

Note: 33

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

Note: 34

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 (Incretin mimetic 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. 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: 35

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 promoter is a Director.

Note: 36

Previous years figures have been regrouped wherever necessary.

Note: 37

The figures have been rounded off to the nearest rupee.

Auditors' Certificate

To
THE BOARD OF DIRECTORS
VIVO BIO TECH LIMITED
HYDERABAD

We have examined the attached cash flow statement of M/s. Vivo Bio Tech Limited, for the year ended 31st March, 2014. 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 28th May, 2014 to the Members of the Company.

AS PER OUR REPORT OF EVEN DATE
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

PLACE : HYDERABAD
DATE : 28-05-2014

P. MURALI MOHANA RAO
PARTNER
Membership No. 023412

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, 2014	31 st March, 2014
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 b. Not dealt with or provided for in the accounts of the holding company	Rs. (11,236) lacs NIL	Rs. (11,236) lacs NIL
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 b. Not dealt with or provided for in the accounts of the holding Company	(5,618) NIL	(5,618) NIL

Consolidated Financials

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Independent Auditors' Report on Consolidated Financial Statements

To the Board of Directors of Vivo Bio Tech Limited

We have audited the accompanying consolidated financial statements of Vivo Bio Tech Limited ('the Company') and its subsidiaries, which comprise the consolidated Balance Sheet as at 31 March, 2014, 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:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (ii) in the case of the consolidated Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of consolidated Cash Flow Statement, of the consolidated Cash Flow for the year ended on that date.

AS PER OUR REPORT OF EVEN DATE
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No. 007257S

P. MURALI MOHANA RAO
PARTNER
Membership No.023412

PLACE : HYDERABAD
DATE : 28-05-2014

M/s. VIVO BIO TECH LTD
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
A. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	1	93,505,200	93,505,200
b) Reserves and Surplus	2	(8,255,302)	(11,153,271)
2. Non-Current Liabilities			
a) Long-Term Borrowings	3	35,459,779	35,856,803
b) Deferred Tax Liabilities	4	14,256,739	11,713,822
c) Long Term Provisions	5	1,297,404	1,039,868
3. Current Liabilities			
a) Short-Term Borrowings	6	30,769,842	-
b) Trade Payables	7	85,471,626	87,355,104
c) Other Current Liabilities	8	102,756,377	125,453,786
d) Short-Term Provisions	9	45,159,017	43,009,309
Total		400,420,682	386,780,621
B. Assets			
1. Non-Current Assets			
a) Fixed Assets			
(i) Tangible Assets	10	149212388	142,733,356
(ii) Intangible Assets		56720467	64,612,750
b) Other Non-Current Assets	11	321,955	261,106
2. Current assets			
a) Inventories	12	3,070,509	439,385
b) Trade Receivables	13	43,046,510	40,297,967
c) Cash and Cash Equivalents	14	112,421,811	103,129,739
d) Short-Term Loans and Advances	15	31,166,567	29,600,009
e) Other Current Assets	16	4,460,476	5,706,309
Total		400,420,682	386,780,621

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 Registration No. 007257S

**For and on behalf of the Board
For Vivo Bio Tech Limited**

P.Murali Mohana Rao
Partner
Membership No. 023412

Dr. A. Sankaranarayanan M. Kalyan Ram
Whole Time Director & CEO Whole Time Director

Place : Hyderabad
Date : 28-05-2014

Challapalli Varun Kumar
Company Secretary

M/s. VIVO BIO TECH LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2014

PARTICULARS	Note No	Year Ended 31/03/2014 Rs.	Year Ended 31/03/2013 Rs.
1. Revenue from Operations	17	161,255,212	143,656,661
2. Other Income	18	8,829,164	7,631,552
3. Total Revenue (1+2)		170,084,376	151,288,213
4. Expenses:			
a) Purchases		29,497,209	37,380,293
b) Changes in Inventories	19	(2,631,124)	(235,641)
c) Employee Benefit Expense	20	22,280,455	24,721,566
d) Other Operating Expenses	21	68,213,251	47,979,109
e) Administrative Expenses	22	24,455,610	7,809,010
f) Financial Costs	23	3,928,972	7,764,369
g) Depreciation and Amortization Expense	10	15,625,314	15,699,622
h) Other Expenses	24	1,944,970	2,449,396
Total Expenses		163,314,657	143,567,724
5. Profit before exceptional and extraordinary items and tax (3-4)		6,769,719	7,720,489
6. Exceptional Items		-	-
7. Profit before extraordinary items and tax (5-6)		6,769,719	7,720,489
8. Extraordinary Items		-	-
9. Profit before tax (7- 8)		6,769,719	7,720,489
10. Tax expense:			
(1) Current tax		1,289,970	-
(2) Deferred tax		2,542,917	3,849,892
11. Profit/(Loss) for the period		2,936,832	3,870,597
12. Earning per equity share:			
(1) Basic		0.31	0.41
(2) Diluted		0.31	0.41

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 Registration No. 007257S

**For and on behalf of the Board
For Vivo Bio Tech Limited**

P.Murali Mohana Rao
Partner
Membership No. 023412

**Dr. A. Sankaranarayanan M. Kalyan Ram
Whole Time Director & CEO Whole Time Director**

Place : Hyderabad
Date : 28-05-2014

**Challapalli Varun Kumar
Company Secretary**

M/s. VIVO BIO TECH LTD

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014

Particulars	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	67.70	77.20
ADJUSTMENTS FOR :		
Depreciation	156.25	157.00
Interest expenses	39.29	77.64
Deferred Tax	-	(38.50)
Written off Expenses		
Operating Profit before Working Capital Changes	263.24	273.34
Inventory	(26.31)	(2.36)
Interest paid	(39.29)	(77.64)
Taxation for the year	(12.90)	-
Trade Receivables	(31.30)	1.40
Trade payables	86.53	17.96
NET CASH FLOW FROM OPERATING ACTIVITIES	239.97	212.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(142.34)	2,513.63
Investments in Subsidiaries	-	(10.72)
NET CASH USED IN INVESTING ACTIVITIES	(142.34)	2,502.91
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash flows from Secured Loan	(3.97)	(1,933.42)
NET CASH USED IN FINANCING ACTIVITIES	(3.97)	(1,933.42)
Net increase in cash and cash equivalents	93.66	782.20
Cash and Cash equivalents (Opening Balance)	1030.56	248.36
Cash and Cash equivalents (Closing Balance)	1124.22	1,030.56

As per Our Report of Even Date
For P. Murali & Co.
Chartered Accountants
Firm Registration No. 007257S

For and on behalf of the Board
For Vivo Bio Tech Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

Dr. A. Sankaranarayanan M. Kalyan Ram
Whole Time Director & CEO Whole Time Director

Place : Hyderabad
Date : 28-05-2014

Challapalli Varun Kumar
Company Secretary

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.

M/s. VIVO BIO TECH LIMITED
NOTES FORMING PART OF BALANCE SHEET

PARTICULARS	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
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	No. of shares
Equity Shares at the Beginning	93,50,520	93,50,520
Add: Issued during the year	-	-
Equity Shares at the end of the year	93,50,520	93,50,520
Details of Shareholder holding more than 5% shares of the company:		
Name of the Shareholder	As at 31.03.2014	As at 31.03.2013
	No. of Shares	No. of Shares
Northern Union Ltd	10,35,000	10,35,000
Max Cell Phone Communications India Pvt Ltd	8,00,000	8,00,000
Cryptologic Systems Pvt Ltd	13,45,000	13,45,000
Iron Age India Limited	6,00,000	6,00,000
Iragavarapu Constructions Pvt Ltd	6,00,000	6,00,000
P.K.I Solutions Pvt Ltd	6,00,000	6,00,000
Every Wear Import and Export Pvt Ltd	13,50,000	13,50,000
Elite Class Asset Holdings Ltd	13,00,000	13,00,000
NOTE NO. 2 : RESERVES AND SURPLUS		
Securities Premium	15,840,000	15,840,000
General Reserves	1,000,000	1,000,000
Capital Reserve		
As at the commencement of the year	29,289,102	-
Add: Additions during the year	-	29,289,102
Total	29,289,102	29,289,102
Good will on Consolidation		
Vivo Bio Discovery Services Pvt Ltd	(70,444)	-
Vivo Bio Labs Pvt Ltd	31,581	-
Total	(38,863)	-

PARTICULARS	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Surplus		
As at the commencement of the year	(57,282,372)	(61,152,970)
Add: Additions during the year (Transfer from Profit & Loss a/c)	2,936,832	3,870,597
	(54,345,540)	(57,282,372)
Total Reserves and Surplus	(8,255,302)	(11,153,271)
NOTE NO. 3 : LONG TERM BORROWINGS		
a) Term loans:		
From banks:		
Secured	5,044,834	5,441,858
(Hypothecation of Vehicles 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	7,984,945
Total long term borrowings	35,459,779	35,856,803
NOTE NO. 4 : DEFERRED TAX LIABILITY		
Opening Deferred tax Liability	11,713,822	7,863,930
Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	2,983,905	3,496,441
Deferred Tax Liability for the year (Due to Others)	(440,988)	353,451
Deferred Tax Liability	14,256,739	11,713,822
NOTE NO. 5 : LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for Gratuity	1,297,404	1,039,868
Total Long Term Provisions	1,297,404	1,039,868
NOTE NO. 6 : SHORT TERM BORROWINGS.		
Loans repayable on demand:		
From banks		
Secured	30,769,842	-
(Hypothecation of Stock and Book Debts, Personal Gurantee of Promoters of the company & Equitable Mortgage of Lands)		
Total short term borrowings	30,769,842	-

PARTICULARS	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
NOTE NO. 7 : TRADE PAYABLES		
a) Trade Payables	85,471,626	87,355,104
Total Trade Payables	85,471,626	87,355,104
NOTE NO. 8 : OTHER CURRENT LIABILITES		
a) Other Payables (Creditors for Expenses & Equipment)	102,756,377	125,453,786
Total other current liabilities	102,756,377	125,453,786
NOTE NO. 9 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	207,844	222,286
Salaries Payable	1,862,688	2,600,962
Food Allowance	9,000	9,500
b) Others		
Statutory Liabilities		
TDS	640,726	612,984
ESI	63,937	(1,611)
Provision for Expenses		
Income tax	1,289,970	-
Rent	11,541,600	8,470,800
Electricity Charges	929,843	-
Audit Fee	95,506	89,888
Professional Tax	6,950	4,500
ARE Related Expenses Payable	28,510,953	31,000,000
Total short term provisions	45,159,017	43,009,309
NOTE NO.11 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	60,849	-
Total Other Non Current Assets	321,955	261,106
NOTE NO. 12 : INVENTORIES		
a) Stores and spares	409,739	439,385
b) Others (Rodent Feed & Others)	2,660,770	-
Total Inventories	3,070,509	439,385

Note Number : 10

FIXED ASSETS AS ON 31st March 2014

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block	
		As at 01.04.2013	Additions during	Sale/ Deletions during year	As at 31.03.2014 the year	As at 01.04.2013	Depn During	Depreciation Deletions	As at 31.03.2014 the Period	As at 31.03.2014	As at 31.03.2013
I.	Tangible Assets										
	LAND	26,335,198	-	-	26,335,198	-	-	-	-	26,335,198	26,335,198
	PLANT & MACHINERY	3,973,640	-	-	3,973,640	382,186	188,748	-	570,934	3,402,707	3,591,454
	ELECTRICAL EQUIPMENT	4,568,254	28,263	-	4,596,517	1,232,898	217,360	-	1,450,258	3,146,259	3,335,357
	LABORATORY EQUIPMENT	114,814,361	13,008,363	-	127,822,724	19,336,250	5,776,081	-	25,112,331	102,710,394	95,478,111
	OFFICE EQUIPMENT	3,395,771	114,717	-	3,510,488	937,988	166,307	-	1,104,296	2,406,192	2,457,782
	COMPUTERS	1,553,403	16,030	-	1,569,433	1,534,501	20,475	-	1,554,976	14,457	18,902
	FURNITURE	4,361,157	676,299	-	5,037,456	1,029,804	306,917	-	1,336,721	3,700,735	3,331,353
	VEHICLES	11,079,265	390,399	-	11,469,664	2,894,065	1,079,152	-	3,973,217	7,496,447	8,185,200
	Sub Total (a)	170,081,049	14,234,071	-	184,315,120	27,347,692	7,755,040	-	35,102,732	149,212,388	141,451,456
II.	Intangible Assets										
	Technical Know How	70,252,977	-	-	70,252,977	8,801,617	7,025,298	-	15,826,914	54,426,062	61,451,360
	Computer Software	5,212,686	-	-	5,212,686	2,073,305	844,976	-	2,918,282	2,294,404	3,139,381
	Sub Total (b)	75,465,663	-	-	75,465,663	10,874,922	7,870,274	-	18,745,196	56,720,467	64,590,741
	Grand Total (a+b)	245,546,712	14,234,071	-	259,780,783	38,222,614	15,625,314	-	53,847,928	205,932,854	206,042,197
	Previous Year	484,141,495	47,594,220	286,167,004	245,568,720	52,926,118	15,658,617	30,342,121	38,222,614	207,346,106	431,431,793

PARTICULARS	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
NOTE NO. 13 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	43,046,510	40,297,967
Total Trade Receivables	43,046,510	40,297,967
NOTE NO. 14 : CASH AND BANK BALANCES		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	11,251,598	675,699
2) Bank deposits with less than 12 months maturity	17,834,572	18,711,851
b) Cash on hand	106,710	135,732
c) Others: SBIRI - No Lien Account	7,792,479	7,877,424
Sub Total	36,985,359	27,400,705
Other Bank Balances		
On Deposit Accounts		
a) Having Maturity more than 12 Months from date of deposit	75,436,452	75,729,035
Total Cash and Cash Equivalents	112,421,811	103,129,740
NOTE NO. 15 : SHORT TERM LOANS AND ADVANCES		
a) Security Deposit		
Secured	2,702,611	1,202,611
b) Loans and advances to related parties		
Unsecured	28,463,956	28,397,398
Total short term loans & advances	31,166,567	29,600,009
NOTE NO.16 : OTHER CURRENT ASSETS		
TDS, Service Tax and Prepaid Insurance	4,460,476	5,706,309
Total Other Current Assets	4,460,476	5,706,309

NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS

Particulars	Year Ended 31/03/2014 Rs.	Year Ended 31/03/2013 Rs.
NOTE NO. 17 : REVENUE FROM OPERATIONS		
Revenue from Operations	161,255,212	143,656,661
Total Revenue from Operations	161,255,212	143,656,661
NOTE NO. 18 : OTHER INCOME		
(a) Interest income	8,819,050	7,221,552
(b) Other Income	10,114	410,000
Total Other Income	8,829,164	7,631,552
NOTE NO. 19 : CHANGE IN INVENTORIES & WIP.		
Finished Goods		
Finished goods at the beginning of the year	439,385	203,744
Less : Finished goods at the end of the year	3,070,509	439,385
Total Change in Inventories & WIP	(2,631,124)	(235,641)
NOTE NO. 20 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	20,088,168	23,439,643
(b) Contribution to Provident & Other Funds	1,508,590	830,228
(c) Staff Welfare Expenses	683,697	451,695
Total Employee Benefit Expenses	22,280,455	24,721,566
NOTE NO. 21 : OTHER OPERATING EXPENSES		
(a) Power & Fuel	17,763,614	8,640,850
(b) Rent	49,973,698	36,304,464
(c) Repairs to Machinery	135,610	513,617
(d) Insurance	274,835	2,343,160
(f) Net loss on foreign currency transaction	(18,776)	90,748
(g) Payment to Auditors:		
(i) As Auditor	84,270	86,270
Total Other Expenses	68,213,251	47,979,109

Particulars	Year Ended 31/03/2014 Rs.	Year Ended 31/03/2013 Rs.
NOTE NO. 22 : ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	417,392	711,464
(b) Business Promotion Expenses	5,438,839	2,580,875
(c) Conveyance	1,999,723	1,149,085
(d) Office Maintenance	3,359,703	716,151
(e) Printing & Stationery Expenses	231,664	27,600
(f) Rates & Taxes (excluding Income Tax)	3,245,273	394,690
(g) Managerial Remuneration	3,358,704	-
(h) Consultancy Charges	4,104,931	2,017,288
(i) Seminar Fee	125,470	194,025
(k) Royalty	2,173,911	-
(l) Interest on taxes Payable	-	17,832
Total Administrative Expenses	24,455,611	7,809,010
NOTE NO. 23 : FINANCE COST		
Interest Expenses :		
- Interest on Working Capital	3,928,972	7,764,369
Total Finance Cost	3,928,972	7,764,369
NOTE NO. 24 : OTHER EXPENSES		
AMC Charges	1,944,970	2,449,396
Total Other expenses	1,944,970	2,449,396

As per Our Report of Even Date
For P. Murali & Co.
Chartered Accountants
Firm Registration No. 007257S

P.Murali Mohana Rao
Partner
Membership No. 023412

Place : Hyderabad
Date : 28-05-2014

**For and on behalf of the Board
For VIVO BIO TECH LIMITED**

Dr. A. Sankaranarayanan **M. Kalyan Ram**
Whole Time Director & CEO **Whole Time Director**

Challapalli Varun Kumar
Company Secretary

M/s. VIVO BIO TECH LIMITED

Regd. Office: 608, Lingapur Complex, Himayathnagar, Hyderabad - 29, Telangana
CIN: L65993TG1987PLC007163, Tel.Nos. 040-2783608 / 10; **Email:** : info@vivobio.com **Website:** www.vivobio.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip at the venue of the meeting.

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company held on Tuesday, 30th September, 2014 at 2.30 p.m. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026.

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
LF No.	DP ID	CLIENT ID	
Name & Address of the registered Shareholder (IN BLOCK CAPITALS):			

SIGNATURE OF THE MEMBER/ JOINT MEMBER (S) / PROXY

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PROXY FORM

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

M/s. VIVO BIO TECH LIMITED

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Name of the member(s)		Email ID	
Registered Address		Folio No./ *Client ID	
		*DP ID	

I/We, being the member(s) of shares of Tera Software Limited, hereby appoint:

- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on the Tuesday, 30th September, 2014 at 2.30 p.m. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026. and at any adjournment thereof in respect of such resolution as are indicated below:

	Resolutions	Vote	
		For	Against
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2.	Re-appointment of Mr. M. Kalyan Ram who retires by rotation.		
3.	Appointment of Statutory Auditors.		
4.	Appointment of Mr. Sunder. K as an Independent Director.		
5.	Appointment of Mr. Kunasingam V Sittampalam as Independent Director.		
6.	Appointment of Mr. Hariharn R as Independent Director.		
7.	To create charge / mortgage assets and undertakings of the Company under Section 180 (1) (a) of the Companies Act, 2013.		
8.	To limit the borrowings under Section 180 (1) (c) of the Companies Act, 2013.		
9.	To Approve preferential allotment of 56,30,000 warrants to promoter group and strategic investors.		
10.	Appointment of Mrs. Lakshmi as a Director of the company.		
11.	To Approve related party transactions under Section 177 of the Companies Act, 2013.		

Signed _____ this day _____ of 2014

Signature of member _____ : Signature of proxy holder: _____

Affix
Re. 1/-
Revenue
Stamp

- Note:**
- The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
 - The Proxy need not be a member of the Company.

*Applicable for investors holding shares in Electronic Form.