

**Vivo Bio Tech Ltd**

Your Drug Discovery Partner

# 28th 2015

# ANNUAL REPORT



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Annual General meeting on Wednesday, September 30, 2015 at 1.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

**Registered office:**

608,lingapur complex, Himayatnagar,  
Hyderabad-500 029,  
Telangana.

**Auditors**

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

**Main Bankers**

M/s. Bank of Baroda  
West Marredpally Branch,  
Secunderabad.

**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

**Kalyan Ram Mangipudi**

Whole Time Director

**Alangudi Sankaranarayanan**

CEO & Whole Time Director

**Kunasingam V Sittampalam**

Independent Director

**Sunder Kanaparthi**

Independent Director

**Hariharan R**

Independent Director

**Sharmistha Manna**

Independent Director

**Challapalli Varun Kumar**

Company Secretary

**Srinivasu Padala**

Chief Financial Officer

## CEO's Message

Today almost all the biopharmaceutical companies have recognised that the research and development cost has been rising exponentially while the productivity of this work measured by the number of new drugs approved each year has remained low. To resolve this problem, most of the companies have taken major initiatives, including changing their R&D strategies and focuses.

On the positive side, the industry is currently focusing on proof-of-concept study, development and incorporation of biomarkers into early stage R&D, and development of biologic drugs including biosimilars. The research in these areas is expected to lead to strong demands for preclinical development service in the foreseeable future.

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 preclinical 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 preclinical laboratory.

The consistent growth over the past year, moves the purpose bred laboratory animal supply 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 this field.

The cell line development and associated drug discovery activities have also seen significant momentum with continued support from Govt. of India agencies namely SBIRI 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, USA to strengthen the development and roll out of low cost high quality Biosimilar drugs.

### Outlook FY2015

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 preclinical services and high acceptance of specific pathogen laboratory rodents 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 28th Annual General Meeting of the Members of the Company will be held on Wednesday, the 30th day of September, 2015, at 1.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr.M Kalyan Ram who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th September, 2014, the appointment of M/s. P.Murali & Co, Chartered Accountants (ICAI Reg. No. 007257S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.”

### Special Business:

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualifications of directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mrs. Sharmistha Manna (DIN: 07099241) who was appointed as Additional Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 33rd Annual General Meeting of the Company in the calendar year 2020.”

**BY ORDER OF THE BOARD**  
For **Vivo Bio Tech Limited**

PLACE : HYDERABAD  
DATE : 31/08/2015

Challapalli Varun Kumar  
Company Secretary

### **Important Communiqué to Members - Green Initiative in Corporate Governance**

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

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

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

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

### **NOTES**

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b) The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.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 23rd September, 2015 to 30th September 2015 (both days inclusive).
- 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,
- f) 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.
- g) 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.
- h) The Company has appointed Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretary as Scrutinizer for conducting e-voting process for the 28th Annual General Meeting of the Company in a fair and transparent manner

i) Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility to members to cast their vote on all the resolutions set forth in the Notice convening 28th Annual General Meeting (AGM) to be held on 30th September. The Company engaged the Services of Central Depository Services Limited (CDSL) to provide the e-Voting Facility:

The instructions for Members for e-voting are as under:

The voting period begins on Saturday, 26th September, 2015 at 9.00 a.m. and ends on Tuesday, 29th September at 5.00 p.m. During this period shareholders' of the company, holding shares either in Physical Form or Dematerialised form, as on the cut off date 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

Instructions for e-voting

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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	Folio Number registered with the company
For CDSL: 16 digits beneficiary ID	

- 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](http://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) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001(Which is printed on address label) in the PAN field.</li> </ul>
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 account Details	Enter the Dividend Bank Details as recorded in your demat account or in the Bank company records for the said demat account or folio. Please enter the DOB or Details 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.
- xi) 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:

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.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**BY ORDER OF THE BOARD**  
For **Vivo Bio Tech Limited**

PLACE : HYDERABAD  
DATE : 31/08/2015

**Challapalli Varun Kumar**  
Company Secretary



## **Explanatory Statement Pursuant to section 102 of the Companies Act, 2013**

### **Item No. 4**

Mrs. Sharmistha Manna was appointed as Additional Director of the Company on 20th March 2015 in the category of women Director of the company. As she is additional Director her Directorship ceases on the date of this Annual general meeting.

Details of her other directorships are given in Directors Report. Mrs. Sharmistha Manna does not hold by herself 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,. Mrs. Sharmistha Manna being eligible for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2020. A notice has been received from a member proposing Mrs. Sharmistha Manna as a candidate for the office of Director of the Company.

In the opinion of the Board, Mrs. Sharmistha Manna fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs. Sharmistha Manna 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 her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Sharmistha Manna as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Sharmistha Manna as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Sharmistha Manna, 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.

## Brief Profiles of Directors seeking appointment/re appointment

<b>1</b>	<b>Name</b>	<b>Sharmistha Manna</b>
	Age	31
	Qualification	MBA
	Experience	She has 8 years of experience in the field of Business Development, strategic Planning and Market Research
	Membership of committee	NIL
	Shareholding	NIL
	Other Directorships	NIL
<b>2</b>	<b>Name</b>	<b>M Kalyan Ram</b>
	Age	37
	Qualification	MBA
	Experience	He has 15 years of experience in the field of Accounting , Finance and Administration
	Membership of committee	NIL
	Shareholding	NIL
	Other Directorships	NIL

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 28th Directors' Report on the business and operations of your company, for the financial year ended 31st March, 2015.

### Financial Highlights:

(₹ in Lakhs)

Particulars	2014-15	2013-14
Total Income	1873.60	1700.84
Profit before interest, Depreciation and Tax	375.31	263.24
Interest	51.40	39.29
Depreciation	304.64	156.25
Provision for Taxation	3.67	12.90
Profit after interest, Tax and depreciation	15.59	54.80
Deferred Tax provision	(30.68)	25.43
Balance brought forward	(543.46)	(572.82)
Balance Carried to Balance Sheet	(479.02)	(543.46)

### RESULTS OF OPERATIONS:

Following are the results of operations for the financial year 2014-15

#### BUSINESS PERFORMANCE

**Revenues:** The total income of the Company for the FY 2014-15 is Rs. 1873.60 Lakhs as against Rs. 1,700.84 Lakhs in FY 2013-14

**Profits:** Profit before Tax (PBT) stood at Rs.19.27 Lakhs as against Rs.67.70 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 46.28 Lakhs as against Rs. 29.36 Lakhs for the previous year.

#### Reserves and Surplus

During the year the Company has transferred Rs. 46.28 lakhs to Reserves and Surplus.

#### Dividend

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

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure to the Board's report

#### 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, 2013 Mr. Kalyan Ram retires by rotation at the Annual General Meeting and being eligible offers himself 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 Mrs. Sharmisitha Manna is proposed to be appointed as Independent Director of the company for five consecutive years for a term upto 31st March, 2020.

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.

**Particulars of Loans, Guarantees or Investments**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

**Internal control systems and their adequacy:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.vivobio.com](http://www.vivobio.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

#### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

#### **Directors' Responsibility Statement:**

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards

#### **The Directors Confirm that:**

- i) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards had been followed and there are no material departures.
- ii) The Directors 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 at the end of financial year and of the profit of the company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv) We have prepared the annual accounts for the financial year ended 31st March, 2015 on a going concern basis.
- v) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- vi) The Directors have devised proper systems to ensure compliance with the provisions of the applicable laws and such other systems are adequate and are operating effectively.

#### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

As required by clause 49 of Listing Agreement, Auditor's certificate on corporate governance is enclosed as Annexure to Board's Report.

#### **AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report.

#### **AUDITORS**

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 sated in Section 141 of Companies Act, 2013 .

#### **SECRETARIAL AUDIT:**

Mr.N V S S Suryanarayana Rao, Practicing Company Secretary was appointed to conduct Secretarial Audit of the company for the financial year 2014-15, as required under section 204 of the Companies Act, 2013 and rules framed there under.The Secretarial Audit report for Financial year 2014-15 forms part of board's report as Annexure

The Board has appointed Mr.N V S S Suryanarayana Rao, Practicing company Secretary as Secretarial Auditor of the Company for financial year 2015-16.

#### **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The Particulars as required under Sub- section (3)(m)of Section 134 of the Companies Act,2013, read with the Companies(Accounts) Rules 2014 are enclosed in Annexure

#### **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement , the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

#### **FIXED DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

#### **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:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided

upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

#### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

#### **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 : 31.08.2015

Kalyan Ram Mangipudi  
Whole Time Director

## ANNEXURE

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTFLOW REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014

#### 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 31st March 2015	For Year ended 31st March 2014
<b>A. Power and Fuel Consumption</b>		
Electricity		
a. Electricity Purchase Units	17,64,016	17,48,302
<b>Total Amount</b>	<b>Rs. 1,48,05,846</b>	<b>Rs.1,63,51,614</b>
Rate per unit (Average)	Rs. 8.39	Rs.9.35
b. Own Generation from Diesel	108000	120675
Generator Unit Rate per Unit	9.75	10.13

#### 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 2014-15	FY 2013-14
Foreign Exchange Earnings:	113.74	749.40
Foreign Exchange Outgo	54.80	138.29



## 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 and employees. Vivo is committed to the adoption of best governance practices and its adherence in the true spirit at alltimes.

### 2. Board of Directors:

a) Composition and Category of Directors:

- ❖ The Company has 6 Directors Comprising of 2 Executive Directors and 4 Independent Non – Executive Directors which is in compliance with the Clause 49 of Listing Agreement.
- ❖ 6 Board Meetings were held during the Financial Year 2014-15 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, 2014, 12th August 2014, 29th August 2014, 12th November, 2014, 11th February, 2015 and 20th March 2015
- ❖ The necessary quorum was present for all meetings.
- ❖ During the year, information as mentioned in Annexure 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 Chairman-ship
Kalyan Ram Mangipudi	Whole Time Director	6	Yes	-	-	-
Alangudi Sankaranarayanan	Whole Time Director	6	Yes	-	-	-
K.V.Sittampalam	Independent Non-Executive Director	1	No	1	-	-
Sunder Kanaparthi	Independent Non-Executive Director	6	No	-	-	-
Hariharan R	Independent Non-Executive Director	6	Yes	-	-	-

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

- ❖ In accordance with clause 49, memberships/chairmanships of only the Audit Committee and shareholders/ investors grievance committees all Public Limited Companies (Excluding Vivo Bio Tech Ltd) have been considered.
- ❖ Apart from receiving sitting fee for attending meetings, the independent directors do not have any material pecuniary relationships or transactions with the company, promoters, directors, senior management or its holding company, subsidiaries and associates which may affect independence of the director;
- ❖ The Independent director is not related to promoters or persons occupying management positions at the board level or at one level below the board;

- ❖ The independent directors have not been executives of the company in the immediately preceding three financial years;
- ❖ They are not partners or executives or were not so during the preceding three years of the -statutory audit firm or the internal audit firm that is associated with the company -Legal Firm(s) and consulting firm(s) that have a material association with the company
- ❖ The Independent Directors are not material suppliers, service providers or customer or a lessors or lessees of the company, which may affect their independence
- ❖ They are not substantial shareholders of the company i.e. don't own 2 percent or more of the block of voting shares.

### 3. AUDIT COMMITTEE:

During the year under review Five (5) meetings were held for approval of Unaudited Financial Results 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
KunasingamV. Sittampalam	Member	Independent Non-Executive Director	1

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.

### 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 2014-15 (in Rs.)		
	Sitting Fees	Salary	Total
Dr. A. Sankaranarayanan	-	1442500	1442500
M. Kalyan Ram	-	3,21,204	3,21,204

**Shares held by Non-Executive Directors as on 31st March, 2015 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
3	Hariharan R	NIL
4	Sharmistha Manna	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. Aarthi 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. Aarthi Consultants Pvt. Ltd.

## 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
2013-14	30/09/2014 2.30 p.m.	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	<ul style="list-style-type: none"> <li>• Appointment of Mr. Kunasingam V Sittampalam as Independent Director of the company for period of 5 Years</li> <li>• Appointment of Mr. Sunder Kanaparthi as Independent Director of the company for period of 5 Years</li> <li>• Appointment of Mr. Hari Haran R as Independent Director of the company for period of 5 Years</li> <li>• Authorisation 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.</li> <li>• Authorisation 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</li> </ul>
2012-13	28/09/2013 1.00PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	<ol style="list-style-type: none"> <li>1. Appointment of Mr. M. Kalyan Ram As Whole Time Director of the Company, for a period of 3(Three) years with effect from 30th July,2013 on a monthly remuneration of Rs.30,000 Per month.</li> <li>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.</li> </ol>
2011-12	29/09/2012 1.00PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	Re appointment of Dr. Sankaranarayanan as whole Time Director

## 7. Risk Management Committee

During the year One (1) meeting of the Committee was held during the year

Name	Designation in the Committee	Category	Attendance
Sharmistha Manna	Chairman	Independent	1
M Kalyan Ram	Member	Whole Time Director	1
A Sankaranarayanan	Member	Whole Time Director	1
K. Sunder	Member	Independent Director	1

The Risk Management Committee (RM Committee) was constituted by the Board on November 12, 2014 adhering to the requirements of the Companies Act, 2013 and prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Clause 49 of the Listing Agreement.

### Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its oversight Function

## 8. 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**

## 9. Means of Communications:

As per the listing requirements, the company published periodical financial results in Business Standard, Andhra Bhoomi, Financial Express and leading English and regional newspapers. The Company has also posted its Quarterly results, shareholding pattern, Code of Conduct etc on the website of the company at [www.vivobio.com](http://www.vivobio.com)

## 10. General Shareholder information

- a) AGM: Date, Time and Venue : 30th September, 2015 at 1:00 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, 2015 : Before end of August,2015  
Quarter ending September 30, 2015 : Before end of November,2015  
Quarter ending December 31, 2015 : Before end of February, 2016  
Quarter ending March 31, 2016 : Before end of May, 2016
- c) Date of Book Closure : 23.09.2015 to 30.09.2015 (both days inclusive)
- d) Listing on Stock Exchanges : The Company's Equity shares are listed on the Bombay Stock Exchange (BSE)
- e) Payment of Listing Fee : The Company has paid the listing fees to the BSE for the financial year 2015-16
- 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
Apr-14	15.85	15.85	237
May-14	16.60	15.10	160
Jun-14	16.60	15.85	1090
Jul-14	17.40	17.40	17
Dec-14	16.55	16.55	16

Source: www.bseindia.com

- h) Registrar and Share transfer agents : Aarthi 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. Aarthi Consultants Pvt. Ltd, Hyderabad

j) **Distribution of Shareholding as on 31st March, 2015**

Shareholding of Nominal Value		Shareholders		Shares held	
Rs.		Numbers	% of total	No.	% of total
	(1)	(2)	(3)	(4)	(5)
1	5000	5904	98.93	218157	2.23
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
<b>TOTAL</b>		<b>5968</b>	<b>100</b>	<b>9350520</b>	<b>100</b>

k) **Share holding pattern as on 31st March 2015**

Category		No. of Shares held	% Age of Shareholding
<b>A</b>	<b>PROMOTER'S HOLDING:</b>		
1.	Promoters*		
	- Indian Promoters	5121550	54.77
	- Foreign Promoters	1185000	12.67
2.	Persons acting in Concert #	Nil	Nil
<b>B.</b>	<b>NON-PROMOTERS HOLDING</b>		
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.	FII's	Nil	Nil
<b>C.</b>	<b>OTHERS</b>		
1.	Private Corporate Bodies	1358860	14.53
2.	Indian Public	385110	4.12
3.	NRI's / OCB's	1300000	13.90
4.	Employees	0	Nil
5.	Clearing Members	0	Nil
	<b>TOTAL</b>	<b>9350520</b>	<b>100.00</b>

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. 37.70% of the Company's share capital is dematerialized as on 31.03.2015.

- m) Outstanding GDRs./ADRs./Warrants/Convertible instruments, Conversion date and likely Impact on equity:- NIL
- n) Address for Correspondence : Vivo Bio Tech Limited, 608,lingapur complex, Himayatnagar, Hyderabad -500029
- o) Non –Mandatory Requirements :  
The Chairperson is entitled to reimbursement of expenses incurred in performance of his duties. The Company has already set up a Remuneration Committee.

BY ORDER OF THE BOARD  
**For Vivo Bio Tech Limited**

PLACE : HYDERABAD  
DATE : 31.08.2015

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:

#### Overview

Vivo Bio Tech is a full service CRO offering drug development & discovery services to pharmaceutical & biotech companies world-wide in accordance with OECD, AAALAC & IND guidelines. The company offers services in the areas of In vitro, In vivo, toxicity studies, pharmacological investigations, pharmacokinetics & toxicokinetic studies etc. Our experienced & talented scientists offer advice on defining drug development paths tailored to specific molecules. Tailored and dedicated to our clients, we distinguish your development plan is as superlative as the products you bring to our testing facilities.

At the leading edge of research and development, Vivo Bio Tech offers extensive range of Biologic Research Services across various expression systems. These services are offered to pharma, biotech and agri companies with short turn-around time without compromising the quality of deliverable.

- Molecular Biology Services
- Mutation screening by growth promotion tests
- Process development & Scale-up of recombinant proteins
- Protein Purification & Characterization
- Cell Based Assay Development
- Stability Studies
- Raising polyclonal antibodies & purification
- Method development and validation for Biologics

#### I. Industry structure and developments

Biotechnology started as a science, referring to the use of living cells as factories to produce protein through manipulation of genes. Yet today, biotechnology refers to an industry, with the top companies in the sector exceeding some of the major pharmaceutical companies in market capitalization. No longer are biotechnology companies constrained to using recombinant DNA technology alone, as the moniker is assigned today to any small company engaged in any life sciences-related research directed toward developing a commercial product, using any scientific means. Belonging to the sector usually also implies a culture – small, nimble, visionary but practical, cash constrained but willing to risk it all. While some of the above characteristics are more idealized than real, it is certainly the case that, while the key factors for success in a development stage company include the very same scientific, analytic, and/or managerial talents that reside in “big pharma”, the context is different, requiring the organization to incorporate some additional skills to ensure survival, and non-traditional systems to support success.

These systems are meant to reconcile the long product development cycles inherent to the industry with the shorter “survival index” supported by the available cash. In pharma in general, the long Product R&D cycles may minimize the rigor behind decision-making, since there is a long time lag between the action taken, and its ultimate impact. Moreover, paradoxically, there is a “comfort” to operating at a significant loss for many years

## **Opportunities:**

Growth in the life sciences sector comprised of the pharmaceutical, biotechnology, and medical technology (medtech) segments is closely tied to economic and demographic drivers that fuel a continual transformation of the broader health care industry. Life sciences companies have demonstrated their ability to survive and thrive amidst recent periods of economic recession, health care spending cutbacks, geographic market swings, and changing population profiles. If history is any indication, 2015 will again test the sector's ability to adapt in an era of transformation.

The global biotechnology segment is expected to post revenues of \$288.7 billion in 2015, culminating a five-year average annual increase of 10.8 percent. The vast majority of biotech revenue is generated in Europe and the United States (where the segment has exhibited growth since 2009).<sup>26</sup> Major players have, however, recently reported slower growth rates for U.S. sales compared with other parts of the world. This trend in revenue growth from emerging markets is expected to continue over the next five years as living standards and health care access improve, particularly in India, China, Brazil, and other emerging market.

## **Threats**

### **Government Regulations**

The Biotechnology Industry is highly regulated and product commercialization can only occur after many years of compliance with required product standards. Taking a risk-based approach to compliance planning, execution, and monitoring makes good business sense in a heightened regulatory environment. A top priority for drug and device manufacturers is to identify ways to counter increasing instances of unsustainable pricing (extremely high-priced innovations), which elicit defensive legislative responses from government.

**Long Gestation Period:** Developing a new product is an ambitious venture characterized by high cost, long gestation period, high risk, a lengthy period without revenue, and even longer period without profit. All of this requires a degree of persistence, patience, and, above all capital to invest. Compared to pharmaceutical Industry the products in Biotechnology tend to have fewer safety and toxicity issues. During lengthy gestation period the companies' profit is deferred because delay before saleable products come out of the pipeline.

### **Risks & concerns:**

Biotechnology industry is a high risk industry as the major part of the capital is spent on the Research and development for the development of the new products in the process the product may or may not emerge. Even after development of new product there is no assurance regarding generation of revenue or profitable operations. There are many factors such as competition, patent protection and the regulatory environment that can influence a product's profitability potential.

### **Internal Control Systems & their adequacy:**

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

### **Discussion on financial performance with respect to operational performance:**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 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.

**Revenues:** The total income of the Company for the FY 2014-15 is Rs. 1873.60 Lakhs as against Rs. 1,700.84 Lakhs in FY 2013-14

**Profits:** Profit before Tax (PBT) stood at Rs19.27Lakhs as against Rs.67.69 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 46.28 Lakhs as against Rs. 29.36 Lakhs for the previous year.

**Material Developments in Human Resources:**

Vivo is a performance-driven organization. Our performance management system strongly links organizational values and objectives with individual targets and performance metrics to create a harmonious growth path for all employees. This year, the performance management system was modified to make it more robust and transparent which provided an excellent user experience to all employees undergoing appraisals.

Vivo encourages employees to aspire for higher professional goals and supports them in achieving them. The Internal Job Postings initiative helps employees realize their Professional goals through internal promotions/transfer opportunities.

The HR team delivered quality training solutions in a timely manner. A survey launched to measure the effectiveness of training programs revealed that almost 98% employees were able to enhance their skill/knowledge and apply it on the job.

As a part of our ongoing effort to enhance leadership skills at Vivo, we initiated the Leadership Talk series. Workshops were conducted for the businesses in order to formulate a common mission and objectives for the year. An engaged employee is a motivated and effective employee. At Vivo we make every effort to make the workplace engaging and encouraging for our staff. Vivo aims at developing industry-ready, high-end talent by equipping bioscientists with skills that enhance their employability.

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**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](http://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 : 31.08.2015

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, 2015 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

PLACE : HYDERABAD  
DATE : 28/05/2015

**P.MURALI MOHANA RAO**  
PARTNER.  
Membership No. 023412

### **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 :31/08/2015

**M Kalyan Ram**  
Whole Time Director

**Annexure to Boards Report**  
**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2015

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
Vivo Bio Tech Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vivo Bio Tech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vivo Bio Tech Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) OTHER APPLICABLE ACTS,

- (a) Payment Of Wages Act, 1936, and rules made thereunder,
- (b) The Minimum Wages Act, 1948, and rules made thereunder,
- (c) Employees' State Insurance Act, 1948, and rules made thereunder,
- (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (e) The Payment of Bonus Act, 1965, and rules made thereunder,
- (f) Payment of Gratuity Act, 1972, and rules made thereunder,
- (g) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

I report during under review, the company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above the agreements entered with

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

**I further report that,**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Hyderabad  
31/08/2015

**N V S S Suryanarayana Rao**  
Practising Company Secretary  
COP No.: 5356

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this report.

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
Vivo Bio Tech Limited  
608 Lingapur Complex  
Himayathnagar,  
Hyderabad-500029.

### **Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. my responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. my examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Hyderabad  
31/08/2015

**N V S S Suryanarayana Rao**  
Practising Company Secretary  
COP No.: 5356



**Annexure to Boards Report  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	L65993TG1987PLC007163
ii)	Registration Date	:	12/02/1987
iii)	Name of the Company	:	VIVO BIO TECH LIMITED
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	608, Lingapur Complex, Himayathnagar, Hyderabad, Telangana-500029
vi)	Whether listed company	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	M/s. Aarathi Consultants Private Ltd 1-2-285, Domalguda, Hyderabad - 500029 Phone# 91-40-27634445, 27638111 Fax: 91-40-27632184

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Bio Technology	99811210	100%

S. NO	NAME AND ADDRESS OF THE COMPANY& CIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Vivobio Discovery Services Private Limited Address: Flat No.608, Lingapur Complex, Himayathnagar, Hyderabad, Telangana-500029 CIN:U24232TG2009PTC065604	Subsidiary	100%	Sec.2(87)(ii)
2	Vivobio Labs Private Limited Address: Flat No.608, Lingapur Complex, Himayathnagar, Hyderabad, Telangana-500029 CIN: U73100TG2009PTC065603	Subsidiary	100%	Sec.2(87)(ii)

### III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i). Category-wise Share Holding

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
a) Individual/ HUF	724186	242847	967033	10.34	699500	160000	859500	9.19	-1.15
b) Central Govt	1595050	2667000	4262050	45.58	1595050	2667000	4262050	45.58	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1)</b>	<b>2319236</b>	<b>2909847</b>	<b>5229083</b>	<b>55.92</b>	<b>2294550</b>	<b>2827000</b>	<b>5121550</b>	<b>54.77</b>	<b>-1.15</b>
(2) Foreign									
a) NRI- Individuals	150000	0	150000	1.6	150000	0	150000	1.6	0
b) Other- Individuals									
c) Body Corporates	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
e) (1) Overseas Corporate Bodies	1035000	0	1035000	11.07	1035000	0	1035000	11.07	0
<b>Sub- Total (A) (2)</b>	<b>1185000</b>	<b>0</b>	<b>1185000</b>	<b>12.67</b>	<b>1185000</b>	<b>0</b>	<b>1185000</b>	<b>12.67</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A) (1)+ (A) (2)</b>	<b>3504236</b>	<b>2909847</b>	<b>6414083</b>	<b>68.60</b>	<b>3479550</b>	<b>2827000</b>	<b>6306550</b>	<b>67.45</b>	<b>-1.15</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	250	1358570	1358820	14.53	290	1358570	1358860	14.53	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18770	242847	261617	2.80	20870	263554	284424	3.04	0.24
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	16000	16000	0.17	24636	76050	100686	1.08	0.91
c) Others (specify)									
c) i) Non Resident Indians									
c) ii) Overseas Corporate Bodies	0	1300000	1300000	13.9	0	1300000	1300000	13.9	0
c) iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
c) iv) Clearing Members	0	0	0	0	0	0	0	0	0
c) v) Trusts	0	0	0	0	0	0	0	0	0
c) v i) Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (2):-</b>	<b>19020</b>	<b>2917417</b>	<b>2936437</b>	<b>31.40</b>	<b>45796</b>	<b>2998174</b>	<b>3043970</b>	<b>32.55</b>	<b>1.15</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B) (2)</b>	<b>19020</b>	<b>2917417</b>	<b>2936437</b>	<b>31.40</b>	<b>45796</b>	<b>2998174</b>	<b>3043970</b>	<b>32.55</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>3523256</b>	<b>5825174</b>	<b>9350520</b>	<b>100</b>	<b>3525346</b>	<b>5825174</b>	<b>9350520</b>	<b>100</b>	<b>0</b>

## ii. Shareholdings of Promoters:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total	No of Shares	% of total Shares of the company	% of Shares Pledges/ encumbered to total shares	
1	VIRA SYSTEMS PRIVATE LIMITED	1345000	14.38	0	1345000	14.38	0	0
2	M.N.ESTATES PRIVATE LIMITED	50000	0.53	0	50000	0.53	0	0
3	NORTHERN UNION LIMITED	1035000	11.07	0	1035000	11.07	0	0
4	AMN HOTELS PRIVATE LIMITED	100000	1.07	0	100000	1.07	0	0
5	AARTHI COMPTEC LIMITED	100050	1.07	0	100050	1.07	0	0
6	CROSS SIMON BAYLON DC FERNANDEZ	30000	0.32	0	30000	0.32	0	0
7	KOMPELLA MADHAVI LATHA	250000	2.67	0	250000	2.67	0	0
8	K VISWANATH	150100	1.61	0	150100	1.61	0	0
9	TOOMULURU SITAMMA	59400	0.64	0	59400	0.64	0	0
10	ANIL KUMAR PINAPALA	250000	2.67	0	250000	2.67	0	0
11	ANITA R NEELAKANDAN	30000	0.32	0	30000	0.32	0	0
12	K S RAVEENDRAN	60000	0.64	0	60000	0.64	0	0
13	GNANASEKARAN SITTAMPALAM	30000	0.32	0	30000	0.32	0	0
14	MAX CELL PHONE COMMUNICATIONS INDIA PVT LTD	800000	8.56	0	800000	8.56	0	0
15	IRON AGE INDIA LIMITED	600000	6.42	0	600000	6.42	0	0
16	IRAGAVARAPU CONSTRUCTIONS PRIVATE LIMITED	600000	6.42	0	600000	6.42	0	0

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	64,14,083	68.60		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	(1,07,533)	(1.15)		NA
	At the end of the year	63,06,550	67.45		

**iv. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
EVERY WEAR IMPORT AND EXPORT PVT LTD	1350000	14.44	1350000	14.44
ELITE CLASS ASSET HOLDINGS LTD	1300000	13.90	1300000	13.90
MURALIDHAR REDDY MAMILLA	16000	0.17	16000	0.17
RAMAKRISHNAM RAJU UDDARAJU	9130	0.10	9130	0.10
G VIJAY BABU	8667	0.09	8667	0.09
ALLURI FINVEST LTD	6980	0.07	6980	0.07
TRANSIT	3080	0.03	3080	0.03
A PARAMESHWAR	2590	0.03	2590	0.03
KAMLESH JAIN	2380	0.03	2380	0.03

**v. Indebtedness-** Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	57,474,834	-	-	57,474,834
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>57,474,834</b>	<b>-</b>	<b>-</b>	<b>57,474,834</b>
Change in Indebtedness during the financial year				
* Addition				
* Reduction	878,409	-	-	878,409
Net Change	56,596,425	-	-	56,596,425
Indebtedness at the end of the financial year				
i) Principal Amount	56,596,425	-	-	56,596,425
ii) Interest due but not paid	323,862	-	-	323,862
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>56,920,287</b>	<b>-</b>	<b>-</b>	<b>56,920,287</b>

vi. **Shareholding of Directors and Key Managerial Personnel:**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	A. Sankaranarayanan Chairman & Whole Time Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
2	M. Kalyan Ram Whole Time Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
3	Challapalli varun Kumar Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
4	Srinivasu Padala - CFO				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

\* Deposits received from scrap dealers are in the nature of business deposits.

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lakhs)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		M. Kalyan Ram	Alangudi Sankaranarayanan	
		Whole Time Director	Whole Time Director	
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,21,204	14,42,500	17,63,704
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>3,21,204</b>	<b>14,42,500</b>	<b>17,63,704</b>
	Ceiling as per the Act	Overall Ceiling as per the Act Rs.35.53 Lakhs( being the 11 % of Net Profit of the Company calculated as per Section 198 of Companies Act, 2013		

**viii. Remuneration to other directors: (Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		Kunasingam V Sittampalam	Sunder Kanaparthi	Hari Haran R	Sharmistha Manna	
1	Independent Directors Fee for attending board/ committee meetings	-	30,000	30,000	-	60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	30,000	30,000	-	60,000
2	Other Non-Executive Directors Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (1+2)</b>	-	30,000	30,000	-	60,000
	Ceiling as per the Act	Overall Ceiling as per the Act Rs.35.53 Lakhs( being the 11 % of Net Profit of the Company calculated as per Section 198 of Companies Act, 2013				

**ix. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO Srinivas P	Company Secretary Challapalli Varun Kumar	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	3,60,000	3,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (C)</b>	<b>NIL</b>	<b>3,60,000</b>	<b>3,60,000</b>

**x. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the	Brief Description Punishment/ Compounding fees imposed	Details of Penalty/ NCLT/Court	Authority(RD/	Appeal Made if any (details)
<b>A. Company</b> Penalty Punishment Compounding					
<b>B. Directors</b> Penalty Punishment Compounding			<b>NIL</b>		
<b>C. Other Officers in Default</b> Penalty Punishment Compounding					

## INDEPENDENT AUDITOR'S REPORT

To the Members of Vivo Bio Tech Limited:

### Report on the Standalone 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, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements:

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its profit and its cash flows for the year ended on that date



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31st March, 2015 on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 28/05/2015

**Annexure referred to in paragraph 1 of Our Report of even date to the members of Vivo Bio Tech Limited on the accounts of the company for the year ended 31st March, 2015 Under “Report on other Legal & Regulatory Requirements”**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; and no material discrepancies were noticed on such verification.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management  
(b) physical verification of inventory followed by management is reasonable and adequate in relation to size of the company and nature of the business.  
(c) Company is maintaining proper inventory records and no material discrepancies were noticed in physical verification
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. To the best of our knowledge and as explained, the company is not in the business of manufacturing and sale of any goods. Therefore, in our opinion, the provision of the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013 is not applicable.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;  
(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2015 for a period of more than 6 months for the date they became payable.  
(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except as below:

- (d) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- viii. The Company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
  - ix. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/banks. The company has not issued any debentures.
  - x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
  - xi. In our opinion, and 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.
  - xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

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

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 28/05/2015

**M/S. VIVO BIO TECH LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2015**

Particulars	Note No	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
a) Share Capital	1	93,505,200	93,505,200
b) Reserves and Surplus	2	(1,773,833)	(8,216,439)
<b>2. Non-Current Liabilities</b>			
a) Long-Term Borrowings	3	26,596,425	35,459,779
b) Deferred Tax Liabilities	4	11,188,502	14,256,739
c) Long Term Provisions	5	1,601,041	1,297,404
<b>3. Current Liabilities</b>			
a) Short-Term Borrowings	6	30,323,862	30,769,842
b) Trade Payables	7	68,535,030	85,471,626
c) Other Current Liabilities	8	137,187,753	102,756,377
d) Short-Term Provisions	9	47,131,169	45,147,781
<b>Total</b>		<b>414,295,151</b>	<b>400,448,309</b>
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets			
(i) Tangible Assets	10	146,642,453	147,930,488
(ii) Intangible Assets	10	49,014,986	56,720,467
(iii) Capital Work-in-progress		706,264	-
b) Non-Current Investments	11	200,000	1,371,875
c) Other Non-Current Assets	12	289,265	321,955
<b>2. Current assets</b>			
a) Inventories	13	46,870,254	3,070,509
b) Trade Receivables	14	43,080,514	43,046,510
c) Cash and Cash Equivalents	15	105,592,179	112,359,463
d) Short-Term Loans and Advances	16	13,513,955	31,166,567
e) Other Current Assets	17	8,385,282	4,460,476
<b>Total</b>		<b>414,295,151</b>	<b>400,448,309</b>

**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 of

**Vivo Bio Tech Limited**

**Dr. A. Sankaranarayanan**

Whole Time Director

**M. Kalyan Ram**

Whole Time Director

**P.Murali Mohana Rao**

Partner

Membership No. 023412

**Challapally Varun Kumar**

Company Secretary

**Srinivasu Padala**

Chief Financial Officer

Place : Hyderabad

Date : 28-05-2015

M/S. VIVO BIO TECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
1. Revenue from Operations	18	177,884,920	161,255,212
2. Other Income	19	9,475,461	8,829,164
<b>3. Total Revenue (1+2)</b>		<b>187,360,381</b>	<b>170,084,376</b>
<b>4. Expenses:</b>			
a) Purchases		74,505,958	29,497,209
b) Changes in Inventories	20	(43,799,745)	(2,631,124)
c) Employee Benefit Expense	21	29,372,801	22,280,455
d) Other Operating Expenses	22	69,541,746	68,213,251
e) Administrative Expenses	23	17,843,735	24,455,610
f) Financial Costs	24	5,139,660	3,928,972
g) Depreciation and Amortization Expense	10	30,464,382	15,625,314
h) Other Expenses	25	2,364,884	1,944,970
<b>Total Expenses</b>		<b>185,433,421</b>	<b>163,314,657</b>
<b>5. Profit before exceptional and extraordinary items and tax (3-4)</b>		<b>1,926,960</b>	<b>6,769,719</b>
<b>6. Exceptional Items</b>		-	-
<b>7. Profit before extraordinary items and tax (5-6)</b>		<b>1,926,960</b>	<b>6,769,719</b>
<b>8. Extraordinary Items</b>		-	-
<b>9. Profit before tax (7- 8)</b>		<b>1,926,960</b>	<b>6,769,719</b>
<b>10. Tax expense:</b>			
(1) Current tax		367,183	1,289,970
(2) Deferred tax		(3,068,237)	2,542,917
<b>11. Profit from the period from continuing operations (9- 10)</b>		<b>4,628,014</b>	<b>2,936,832</b>
<b>12. Profit for the period</b>		<b>4,628,014</b>	<b>2,936,832</b>
<b>13. Earning per equity share:</b>			
(1) Basic		0.49	0.31
(2) Diluted		0.49	0.31

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board of

**Vivo Bio Tech Limited**

**Dr. A. Sankaranarayanan**

Whole Time Director

**M. Kalyan Ram**

Whole Time Director

**P.Murali Mohana Rao**

Partner

Membership No. 023412

**Challapally Varun Kumar**

Company Secretary

**Srinivasu Padala**

Chief Financial Officer

Place : Hyderabad

Date : 28-05-2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015****(in lakhs)**

Particulars	Current Year ₹	Current Year ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	19.27	67.70
<b>ADJUSTMENTS FOR :</b>		
Depreciation	304.64	156.25
Interest expenses	51.40	39.29
Taxation for the year	(3.67)	(12.90)
Operating Profit before Working Capital Changes	371.64	250.34
Inventory	(438.00)	(26.31)
Trade Receivables	(0.34)	(31.30)
Trade payables	(169.37)	85.90
Short Term Loans and Advances	176.53	-
Short Term Borrowings	(4.46)	-
Other Current Assets	(39.25)	-
Other Current Liabilities	344.31	-
Short-Term Provisions	19.83	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>260.90</b>	<b>278.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(196.56)	(142.34)
Capital Work in Progress	(7.06)	-
Long Term Provisions	3.04	-
Other Non Current Assets	0.33	-
Investments in Subsidiaries	11.72	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(188.54)</b>	<b>(142.34)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loan	(88.63)	(3.97)
Interest paid	(51.40)	(39.29)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(140.03)</b>	<b>(43.26)</b>
Net increase in cash and cash equivalents	(67.67)	93.03
Cash and Cash equivalents as on 01.04.2014	1,123.59	1,030.56
<b>Cash and Cash equivalents as on 31.03.2015</b>	<b>1,055.92</b>	<b>1,123.59</b>

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 : 28-05-2015

For and on behalf of the Board of

**Vivo Bio Tech Limited****Dr. A. Sankaranarayanan**

Whole Time Director

**Challapally Varun Kumar**

Company Secretary

**M. Kalyan Ram**

Whole Time Director

**Srinivasu Padala**

Chief Financial Officer

## A. SIGNIFICANT ACCOUNTING POLICIES:

### 1. General:

- These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

- **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.

### 2. Cash and Cash Equivalents

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit 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.

### 3. 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) Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**4. Depreciation and Amortization:**

- i). Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- ii). Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.
- iii). Individual assets acquired for less than Rs.5,000/-are entirely depreciated in the year of acquisition. Leasehold improvements are written off over the lower of, the remaining primary period of lease or the life of the asset.
- iv). The carrying value of Fixed Assets whose life has completed as per Schedule II of The Companies Act, 2013 is transferred to Retained earnings amounting to Rs. 18,14,592/-.

**5. Revenue Recognition:**

- i). The company follows the mercantile system of accounting and recognise income and expenditure on accrual basis
- ii). Revenue is not recognised on the grounds of prudence until it is realised in respect of liquidated damages, delayed payment as recovery of liquidated amounts are not certain

**6. Foreign Exchange Transactions:**

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of transactions.

- i) Monetary items denominated in foreign currencies at the year end and are restated at year end rates.
- ii) Non-monetary foreign currency items are carried at cost.
- iii) In respect of foreign operations, which are non-integral operations, all assets and liabilities, other monetary and non-monetary, are translated at closing rate, which all income and expenses are translated at average rate for the year. The resulting exchange differences are included in the Profit and Loss Account.

**7. 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.

Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

#### **8. 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.

#### **9. Related Party Disclosures :**

The Company furnishes the details of Related Party Disclosures as given in Para 23 and 26 as required by AS-18.

#### **10. 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.

#### **11. 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.

#### **12. Provisions, Contingent Liabilities and Contingent Assets**

The company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may, but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.

**NOTE NO. 1 : SHARE CAPITAL**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>NOTE NO. 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b> 1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b> 93,50,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
<b>Total Share Capital (Equity)</b>	<b>93,505,200</b>	<b>93,505,200</b>
The company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- each.		
<b>The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>	<b>No. of shares</b>	<b>No. of shares</b>
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 31.03.2015 No. of Shares	As at 31.03.2014 No. of Shares
Northern Union Ltd	10,35,000	10,35,500
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**

Name of the Shareholder	As at 31.03.2015	As at 31.03.2014
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>	15,840,000	15,840,000
<b>General Reserves</b>	1,000,000	1,000,000
<b>Capital Reserve</b>	29,289,102	29,289,102

<b>Surplus</b>		
As at the commencement of the year	(54,345,541)	(57,282,372)
Add: Additions during the year (Transfer from Profit & Loss a/c)	4,628,014	2,936,832
Less: Adjustment to fixed assets pursuant to enactment of schedule II of companies Act 2013.	1,814,592	-
	<b>(47,902,935)</b>	<b>(54,345,541)</b>
<b>Total Reserves and Surplus</b>	<b>(1,773,833)</b>	<b>(8,216,439)</b>

#### NOTE NO. 3 : LONG TERM BORROWINGS

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Term loans:</b>		
a) From banks:		
Secured (Hypothecation of Vehicles)	4,166,425	5,044,834
b) other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	22,430,000	22,430,000
Loan From BIPP -	-	7,984,945
<b>Total long term borrowings</b>	<b>26,596,425</b>	<b>35,459,779</b>

#### NOTE NO. 4 : DEFERRED TAX LIABILITY

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Opening Deferred tax Liability	14,256,739	11,713,822
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(2,573,515)	2,983,905
Deferred Tax Liability for the year (Due to Others)	(494,722)	(440,988)
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>11,188,502</b>	<b>14,256,739</b>

#### NOTE NO. 5 : LONG TERM PROVISIONS

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Provision for employee benefits</b>		
Provision for Gratuity	1,601,041	1,297,404
<b>Total Long Term Provisions</b>	<b>1,601,041</b>	<b>1,297,404</b>

**NOTE NO. 6 : SHORT TERM BORROWINGS.**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Loans repayable on demand:		
From banks		
Secured	30,323,862	30,769,842
(Hypothecation of Stock and Book Debts, Personal Gurantee of Promoters of the company & Equitable Mortgage of Lands)		
<b>Total short term borrowings</b>	<b>30,323,862</b>	<b>30,769,842</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Trade Payables	68,535,030	85,471,626
<b>Total Trade Payables</b>	<b>68,535,030</b>	<b>85,471,626</b>

**NOTE NO. 8 : OTHER CURRENT LIABILITES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Other Payables ( Creditors for Expenses & Equipment)	137,187,753	102,756,377
<b>Total other current liabilities</b>	<b>137,187,753</b>	<b>102,756,377</b>

**NOTE NO. 9 : SHORT TERM PROVISIONS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>a) Provisions for employee benefits</b>		
Provident Fund	277,770	207,844
Salaries	2,681,105	1,862,688
Food Allowance	4,000	9,000
<b>b) Others</b>		
<b>Statutory Liabilities</b>		
TDS	563,926	640,726
ESI	68,758	63,937
<b>Provision for Expenses</b>		
Income tax	367,183	1,289,970
Rent	13,244,700	11,541,600
Electricity Charges	1,322,605	929,843
Audit Fee	84,270	84,270
Professional Tax	5,900	6,950
Other Expenses	28,510,953	28,510,953
<b>Total short term provisions</b>	<b>47,131,169</b>	<b>45,147,781</b>

**NOTE NO 10 FIXED ASSETS AND DEPRECIATION SCHEDULE**

S. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block		
		As on 01.04.2014	Addition During the year	As on 31.03.2015	As on 01.04.2014	Depn During the period	Excess Deprecion trfd to Reserves	As on 31.03.2015	Net Block as on 31.03.2015	Net Block as on 31.03.2014
<b>I.</b>	<b>TANGIBLE ASSETS</b>									
	LAND	25,053,298		225,053,298	-				25,053,298	25,053,298
	PLANT & MACHINERY	3,973,640	89,000	4,062,640	570,934	464,827		1,035,761	3,026,880	3,402,707
	ELECTRICAL EQUIPMENT	4,596,517		4,596,517	1,450,258	719,661	249,163	1,920,756	2,675,761	3,146,259
	LABORATORY EQUIPMENT	127,822,724	17,690,168	145,512,892	25,112,331	17,885,234		42,997,565	102,515,328	102,710,394
	OFFICE EQUIPMENT	3,510,488	220,486	3,730,974	1,104,296	1,336,644	637,504	1,803,436	1,927,538	2,406,192
	COMPUTERS	1,569,433		1,569,433	1,554,976	25,769	69,357	1,511,388	58,045	14,457
	FURNITURE	5,037,456	119,960	5,157,416	1,336,721	569,564	41,667	1,864,618	3,292,798	3,700,735
	VEHICLES	11,469,664	1,391,885	12,861,549	3,973,217	1,531,706	736,180	4,768,743	8,092,806	7,496,447
	<b>SUB TOTAL (A)</b>	<b>183,033,220</b>	<b>19,511,499</b>	<b>202,544,719</b>	<b>35,102,732</b>	<b>22,533,405</b>	<b>1,733,871</b>	<b>55,902,266</b>	<b>146,642,453</b>	<b>147,930,488</b>
<b>II.</b>	<b>INTANGIBLE ASSETS</b>									
	TECHNICAL KNOW HOW	70,252,977	-	70,252,977	15,826,914	7,023,395	-	22,850,309	47,402,667	54,426,062
	COMPUTER SOFTWARE	5,212,686	144,775	5,357,461	2,918,282	907,582	80,721	3,745,143	1,612,318	2,294,404
	<b>SUB TOTAL (B)</b>	<b>75,465,663</b>	<b>144,775</b>	<b>75,610,438</b>	<b>18,745,196</b>	<b>7,930,977</b>	<b>80,721</b>	<b>26,595,452</b>	<b>49,014,986</b>	<b>56,720,467</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>258,498,882</b>	<b>19,656,274</b>	<b>278,155,156</b>	<b>53,847,928</b>	<b>30,464,382</b>	<b>1,814,592</b>	<b>82,497,718</b>	<b>195,657,438</b>	<b>204,650,954</b>
	<b>PREVIOUS YEAR</b>	<b>244264812</b>	<b>14234071</b>	<b>258498883</b>	<b>38222614</b>	<b>15625314</b>	<b>-</b>	<b>53847928</b>	<b>204650955</b>	<b>206042197</b>

**NOTE NO. 11 : NON- CURRENT INVESTMENTS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Investment in Subsidiaries</b>		
a) Equity Shares		
100% Holding in Vivobio Discovery Services Pvt Ltd	100,000	100,000
100% Holding in Vivobio labs Pvt Ltd	100,000	1,271,875
<b>Total Non Current Investments</b>	<b>200,000</b>	<b>1,371,875</b>

**NOTE NO.12 : OTHER NON - CURRENT ASSETS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	28,159	60,849
<b>Total Other Non Current Assets</b>	<b>289,265</b>	<b>321,955</b>

**NOTE NO. 13 : INVENTORIES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Stores, Spares & Rodent Feed	1,671,604	409,739
b) Others (Rodent)	45,198,650	2,660,770
<b>Total Inventories</b>	<b>46,870,254</b>	<b>3,070,509</b>

**NOTE NO. 14 : TRADE RECEIVABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	43,080,514	43,046,510
<b>Total Trade Receivables</b>	<b>43,080,514</b>	<b>43,046,510</b>

**NOTE NO. 15 : CASH AND BANK BALANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks :		
1) On Current Accounts	16,961,067	11,251,598
2) Bank deposits with less than 12 months maturity	-	17,834,572
b) Cash on hand	50,580	44,362
c) Others: SBIRI - No Lien Account		7,792,479
d) On Deposit Accounts Having Maturity more than 12 Months	88,580,529	75,436,452
<b>Total Cash and Cash Equivalents</b>	<b>105,592,177</b>	<b>112,359,463</b>

**NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Security Deposit, Loans & Advances Secured Deposit	3,549,443	2,702,611
Unsecured Loans & Advances	9,964,512	28,463,956
<b>Total short term loans &amp; advances</b>	<b>13,513,955</b>	<b>31,166,567</b>

**NOTE NO.17 : OTHER CURRENT ASSETS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
TDS, Service Tax and Prepaid Insurance	8,385,282	4,460,476
<b>Total Other Current Assets</b>	<b>8,385,282</b>	<b>4,460,476</b>

**NOTE NO. 18 : REVENUE FROM OPERATIONS**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
Revenue from Operations	177,884,920	161,255,212
<b>Total Revenue from Operations</b>	<b>177,884,920</b>	<b>161,255,212</b>

**NOTE NO. 19 : OTHER INCOME**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Interest income	8,812,039	8,819,050
(b) Other Income	663,422	10,114
<b>Total Other Income</b>	<b>9,475,461</b>	<b>8,829,164</b>

**NOTE NO. 20 : CHANGE IN INVENTORIES & WIP**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
<b>Finished Goods</b>		
Finished goods at the beginning of the year	3,070,509	439,385
Less : Finished goods at the end of the year	46,870,254	3,070,509
<b>Total Change in Inventories &amp; WIP</b>	<b>(43,799,745)</b>	<b>(2,631,124)</b>

**NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Salaries & Wages	26,414,659	20,088,168
(b) Contribution to Provident & Other Funds	2,375,255	1,508,590
(c) Staff Welfare Expenses	582,887	683,697
<b>Total Employee Benefit Expenses</b>	<b>29,372,801</b>	<b>22,280,455</b>

**NOTE NO. 22 : OTHER OPERATING EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Power & Fuel	16,785,954	17,763,614
(b) Rent	50,751,894	49,973,698
(c) Repairs to Machinery	1,565,253	135,610
(d) Insurance	291,851	274,835
(e) Net loss on foreign currency transaction	62,524	(18,776)
(f) Payment to Auditors:		
(i) As Auditor	84,270	84,270
<b>Total Other Expenses</b>	<b>69,541,746</b>	<b>68,213,251</b>



**NOTE NO. 23 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Telephone, Postage and Others	756,432	417,391
(b) Business Promotion Expenses	478,387	5,438,839
(c) Conveyance	2,982,836	1,999,723
(d) Office Maintenance	3,381,845	3,359,703
(e) Printing & Stationery Expenses	444,875	231,664
(f) Rates & Taxes (excluding Income Tax)	520,767	3,245,273
(g) Managerial Remuneration	1,763,704	3,358,704
(h) Consultancy Charges	6,752,941	4,104,931
(i) Seminar Fee	51,500	125,470
(j) Royalty	710,080	2,173,911
(k) Interest on taxes Payable	368	-
<b>Total Administrative Expenses</b>	<b>17,843,735</b>	<b>24,455,610</b>

**NOTE NO. 24 : FINANCE COST**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
Interest Expenses : - Interest on Working Capital	5,139,660	3,928,972
<b>Total Finance Cost</b>	<b>5,139,660</b>	<b>3,928,972</b>

**NOTE NO. 25 : OTHER EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
AMC Charges	2,364,884	1,944,970
<b>Total Other expenses</b>	<b>2,364,884</b>	<b>1,944,970</b>

**Note: 26**

	Current year (₹)	Previous Year (₹)
Directors Remuneration	17,63,704/-	33,58,704/-

**Note: 27**

Auditor's Remuneration:	Current Year (₹)	Previous Year (₹)
Audit Fee	84,270/-	84,270/-

**Note: 28**

Foreign Exchange Inflow & Outflow	Current Year (₹)	Previous year (₹)
a) Inflow	Rs. 1,13,74,445/-	Rs.7,49,40,000/-
b) Outflow for Capital Expenditure	Rs. 54,80,000/-	Rs.138,29,000/-

**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	1,00,000
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	2014-2015	2013-2014
Profit available for the equity share holders	46,28,014	29,36,832
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	0.49	0.31
Diluted	0.49	0.31

**Note: 32**

There are no dues to SSI Units outstanding for more than 45 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.

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

**Note: 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**

The company confirms that it has paid the annual listing fees for the year 2015-16 to Bombay Stock Exchange.

**Note 37 Deferred Tax Asset/ Liability:**

Particulars.	As at 31.03.2015	As at 31.03.2014
Deferred Tax Liability		
Opening Balance	1,42,56,739/-	1,17,13,822/-
ADD: Deferred tax liability	(30,68,237)	25,42,917/-
<b>Total</b>	<b>1,11,88,502/-</b>	<b>1,42,56,739/-</b>

**Note 38 Related Party Transactions.**

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

## Related Party Disclosures

### a) Subsidiary Companies:

- 1) Vivobio Labs Pvt Ltd
- 2) Vivobio Discovery services Pvt Ltd

### b) Key Management Personnel:

S.No	Name	Designation
1	Dr. A. Sankaranarayanan	Whole Time Director
2	M. Kalyan Ram	Whole Time Director
3	Srinivasu Padala	Chief Financial Officer
4	Challapally Varun Kumar	Company Secretary

The followings are the related party transactions:

Name of the related Party	Nature of transaction	Current year (Rs)	Previous year (Rs)
M. Kalyan Ram	Remuneration	3,21,204	240,903
Dr Sankar Narayanan	Remuneration	1,442,500	2,977,500
K. Sri Kalyan	Remuneration	NIL	140,301
Virinchi Technologies Ltd	Lease Rental	30,00,000	30,00,000

### Note: 39

Previous year figures have been regrouped wherever necessary.

### Note: 40

The figures have been rounded off to the nearest rupee.

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 : 28-05-2015

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

**Dr. A. Sankaranarayanan**  
Whole Time Director

**Challapally Varun Kumar**  
Company Secretary

**M. Kalyan Ram**  
Whole Time Director

**Srinivasu Padala**  
Chief Financial Officer

## 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, 2015. 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, 2015 to the Members of the Company.

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

PLACE: HYDERABAD  
DATE : 28.05.2015

**P.MURALIMOHANARAO**  
PARTNER  
M.No: 023412

## INDEPENDENT AUDITOR'S REPORT

To the Members of Vivo Bio Tech Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Vivo Bio Tech Limited ("the Company"), and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") which comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Financial Statements').

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The respective board of directors of the companies included in the group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the directors of holding company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding company's preparation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the holding Company's Directors, 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 on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group as at 31st March 2015, their consolidated profit and their consolidated cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comment in the auditor's report of the holding company and subsidiaries incorporated in India to whom the order applies. we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - 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 consolidated Balance Sheet, consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors of holding company as on March 31, 2015, and taken on record by the Board of Directors of the holding company and report of the auditor who are appointed under section 139 of the Act, of its subsidiaries companies incorporated in India, none of the directors of group companies incorporated in India are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclosed the impact of pending litigations as at 31st March, 2015 on its consolidated financial position of the group.

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding company and its subsidiaries incorporated in India.

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

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 28/05/2015



**Annexure referred to in paragraph 1 of Our Report of even date to the members of Vivo Bio Tech Limited on the accounts of the company for the year ended 31st March, 2015 Under “Report on other Legal & Regulatory Requirements”**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the Management  
(b) The procedures of physical verification of inventory followed by the management 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 there is no material discrepancies were noticed on physical verification.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. To the best of our knowledge and as explained, the company is not in the business of manufacturing and sale of any goods. Therefore, in our opinion, the provision of the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013 is not applicable.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees’ State Insurance, Income-tax, Service Tax, Custom Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;  
(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees’ State Insurance, Income-tax, Service Tax, Custom Duty and other material statutory dues in arrears as at 31st March 2015 for a period of more than 6 months for the date they became payable.  
(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, and Customs Duty which have not been deposited on account of any disputes.  
(d) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 1956 [1 of 1956] and rules made there under.

- viii. The Company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/banks. The company has not issued any debentures.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
- xi. In our opinion, and 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.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

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

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 28/05/2015

## M/S. VIVO BIO TECH LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
a) Share Capital	1	93,505,200	93,505,200
b) Reserves and Surplus	2	(1,767,954)	(8,255,302)
<b>2. Non-Current Liabilities</b>			
a) Long-Term Borrowings	3	26,596,425	35,459,779
b) Deferred Tax Liabilities	4	11,188,502	14,256,739
c) Long Term Provisions	5	1,601,041	1,297,404
<b>3. Current Liabilities</b>			
a) Short-Term Borrowings	6	30,323,862	30,769,842
b) Trade Payables	7	68,535,030	85,471,626
c) Other Current Liabilities	8	137,187,753	102,756,377
d) Short-Term Provisions	9	47,086,428	45,159,017
<b>Total</b>		<b>414,256,288</b>	<b>400,420,682</b>
<b>B.ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets			
(i) Tangible Assets	10	147,924,353	149212388
(ii) Intangible Assets	10	49,014,986	56720467
(iii) Capital Work-in-progress		706,264	-
b) Other Non-Current Assets	11	289,265	321,955
<b>2. Current assets</b>			
a) Inventories	12	46,870,254	3,070,509
b) Trade Receivables	13	43,080,514	43,046,510
c) Cash and Cash Equivalents	14	105,643,290	112,421,811
d) Short-Term Loans and Advances	15	12,342,080	31,166,567
e) Other Current Assets	16	8,385,282	4,460,476
<b>Total</b>		<b>414,256,288</b>	<b>400,420,682</b>

#### 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. 0072575

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 28-05-2015

For and on behalf of the Board of

**Vivo Bio Tech Limited**

**Dr. A. Sankaranarayanan**

Whole Time Director

**Challapally Varun Kumar**

Company Secretary

**M. Kalyan Ram**

Whole Time Director

**Srinivasu Padala**

Chief Financial Officer

## M/S. VIVO BIO TECH LIMITED

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
1. Revenue from Operations	17	177,884,920	161,255,212
2. Other Income	18	9,475,461	8,829,164
<b>3. Total Revenue (1+2)</b>		<b>187,360,381</b>	<b>170,084,376</b>
<b>4. Expenses:</b>			
a) Purchases		74,505,958	29,497,209
b) Changes in Inventories	19	(43,799,745)	(2,631,124)
c) Employee Benefit Expense	20	29,372,801	22,280,455
d) Other Operating Expenses	21	69,541,746	68,213,251
e) Administrative Expenses	22	17,843,735	24,455,610
f) Financial Costs	23	5,139,660	3,928,972
g) Depreciation and Amortization Expense	10	30,464,382	15,625,314
h) Other Expenses	24	2,364,884	1,944,970
<b>Total Expenses</b>		<b>185,433,421</b>	<b>163,314,657</b>
<b>5. Profit before exceptional and extraordinary items and tax (3-4)</b>		<b>1,926,960</b>	<b>6,769,719</b>
<b>6. Exceptional Items</b>		-	-
<b>7. Profit before extraordinary items and tax (5-6)</b>		<b>1,926,960</b>	<b>6,769,719</b>
<b>8. Extraordinary Items</b>		-	-
<b>9. Profit before tax (7- 8)</b>		<b>1,926,960</b>	<b>6,769,719</b>
<b>10. Tax expense:</b>			
(1) Current tax		311,205	1,289,970
(2) Deferred tax		(3,068,237)	2,542,917
<b>11. Profit(Loss) from the period from continuing operations (9- 10)</b>		<b>4,683,992</b>	<b>2,936,832</b>
<b>12. Profit/(Loss) for the period</b>		<b>4,683,992</b>	<b>2,936,832</b>
<b>13. Earning per equity share:</b>			
(1) Basic		0.50	0.31
(2) Diluted		0.50	0.31

#### NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 28-05-2015

For and on behalf of the Board of

**Vivo Bio Tech Limited**

**Dr. A. Sankaranarayanan**

Whole Time Director

**Challapally Varun Kumar**

Company Secretary

**M. Kalyan Ram**

Whole Time Director

**Srinivasu Padala**

Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (in lakhs)**

Particulars	Current Year ₹	Previous Year ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	19.27	67.70
<b>ADJUSTMENTS FOR :</b>		
Depreciation	304.64	156.25
Interest expenses	51.40	39.29
Taxation for the year	(3.11)	(12.90)
Operating Profit before Working Capital Changes	372.20	250.34
Inventory	(438.00)	(26.31)
Trade Receivables	(0.34)	(31.30)
Trade payables	(169.37)	86.02
Short Term Loans and Advances	188.24	-
Short Term Borrowings	(4.46)	-
Other Current Assets	(39.25)	-
Other Current Liabilities	344.31	-
Short-Term Provisions	19.27	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>272.62</b>	<b>278.75</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(196.68)	(142.34)
Capital Work in Progress	(7.06)	-
Long Term Provisions	3.04	-
Other Non Current Assets	0.33	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(200.37)</b>	<b>(142.34)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loan	(88.63)	(3.97)
Interest paid	(51.40)	(39.29)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(140.03)</b>	<b>(43.26)</b>
Net increase in cash and cash equivalents	(67.79)	93.66
Cash and Cash equivalents as on 01.04.2014	1,124.22	1,030.56
<b>Cash and Cash equivalents as on 31.03.2015</b>	<b>1,056.43</b>	<b>1,124.22</b>

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

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

**Dr. A. Sankaranarayanan**  
 Whole Time Director

**M. Kalyan Ram**  
 Whole Time Director

**P.Murali Mohana Rao**  
 Partner  
 Membership No. 023412

**Challapally Varun Kumar**  
 Company Secretary

**Srinivasu Padala**  
 Chief Financial Officer

Place : Hyderabad  
 Date : 28-05-2015

## A. SIGNIFICANT ACCOUNTING POLICIES:

### 1. Basis of Preparation of Financial Statements:

The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e year ended 31 March 2015.

- These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at re-valued amounts. Pursuant to Section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rule,2014,till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act , 1956 [Companies(Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act ,2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

### 2. Principles Of Consolidation:

The financial statement of parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and the unrealised profits.

The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. The financial statements are prepared in accordance with the principles and procedures of required for preparation and presentation of Consolidated Financial Statements as laid down under the Accounting standard – 21 'Consolidated Financial Statements'.

The subsidiaries companies considered in the consolidated financial statements are:

S No.	Name of the Subsidiary	% of holding
1	Vivo Bio Labs Pvt Ltd	100%
2	Vivo Bio Discovery Services Pvt Ltd	100%

- 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.

### 3. Cash and Cash Equivalents

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 4. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit 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.

### 5. 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.

Technical Knowhow Expenditure is written off over a period of 10 years.

#### iii) Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 6. Depreciation and Amortization:

- I. Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- II. Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.
- III. Individual assets acquired for less than Rs.5,000/-are entirely depreciated in the year of acquisition. Leasehold improvements are written off over the lower of, the remaining primary period of lease or the life of the asset.

### 7. 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.

### 8. 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 cost of the parent company of its investment in the subsidiary company is recognized in the consolidated financial statements are good.

**NOTE NO. 1 : SHARE CAPITAL**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>NOTE NO. 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b> 1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b> 93,50,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
<b>Total Share Capital (Equity)</b>	<b>93,505,200</b>	<b>93,505,200</b>
The company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- each.		
<b>The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>	<b>No. of shares</b>	<b>No. of shares</b>
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 31.03.2015 No. of Shares	As at 31.03.2014 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
Vira 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**

Name of the Shareholder	As at 31.03.2015	As at 31.03.2014
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
As at the commencement of the year	15,840,000	15,840,000
Add: Additions during the year		
	<b>15,840,000</b>	<b>15,840,000</b>
<b>General Reserves</b>		
As at the commencement of the year	1,000,000	1,000,000
Add: Additions during the year		
	<b>1,000,000</b>	<b>1,000,000</b>



<b>Capital Reserve</b>		
As at the commencement of the year	29,289,102	29,289,102
	<b>29,289,102</b>	<b>29,289,102</b>
<b>Capital Reserve</b>		
	<b>(50,099)</b>	<b>(38,863)</b>
<b>Surplus</b>		
As at the commencement of the year	(54,345,541)	(57,282,372)
Add: Additions during the year (Transfer from Profit & Loss a/c)	4,683,992	2,936,832
Excess Depreciation Transferred	1,814,592	-
	<b>(47,846,957)</b>	<b>(54,345,541)</b>
<b>Total Reserves and Surplus</b>	<b>(1,767,954)</b>	<b>(8,255,302)</b>

#### NOTE NO. 3 : LONG TERM BORROWINGS

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Term loans:		
From banks:		
Secured (Hypothecation of Vehicles)	4,166,425	5,044,834
b) other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	22,430,000	22,430,000
Loan From BIPP	-	7,984,945
<b>Total long term borrowings</b>	<b>26,596,425</b>	<b>35,459,779</b>

#### NOTE NO. 4 : DEFERRED TAX LIABILITY

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Opening Deferred tax Liability	14,256,739	11,713,822
Add:		
Deferred Tax Liability for the year :		
a) (Due to SLM and WDV Difference)	(2,573,515)	2,983,905
b) Deferred Tax Liability for the year (Due to Others)	(494,722)	(440,988)
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>11,188,502</b>	<b>14,256,739</b>

#### NOTE NO. 5 : LONG TERM PROVISIONS

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Provision for employee benefits</b>		
Provision for Gratuity	1,601,041	1,297,404
<b>Total Long Term Provisions</b>	<b>1,601,041</b>	<b>1,297,404</b>

**NOTE NO. 6 : SHORT TERM BORROWINGS.**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Loans repayable on demand:		
From banks		
Secured	30,323,862	30,769,842
(Hypothecation of Stock and Book Debts, Personal Gurantee of Promoters of the company & Equitable Mortgage of Lands)		
<b>Total Short Term Borrowings</b>	<b>30,323,862</b>	<b>30,769,842</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Trade Payables	68,535,030	85,471,626
<b>Total Trade Payables</b>	<b>68,535,030</b>	<b>85,471,626</b>

**NOTE NO. 8 : OTHER CURRENT LIABILITES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Other Payables ( Creditors for Expenses & Equipment)	137,187,753	102,756,377
<b>Total Other Current Liabilities</b>	<b>137,187,753</b>	<b>102,756,377</b>

**NOTE NO. 9 : SHORT TERM PROVISIONS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>a) Provisions for employee benefits</b>		
Provident Fund	277,770	207,844
Salaries	2,681,105	1,862,688
Food Allowance	4,000	9,000
<b>b) Others</b>		
<b>Statutory Liabilities</b>		
TDS	563,926	640,726
ESI	68,758	63,937
<b>Provision for Expenses</b>		
Income tax	311,205	1,289,970
Rent	13,244,700	11,541,600
Electricity Charges	1,322,605	929,843
Audit Fee	95,506	95,506
Professional Tax	5,900	6,950
Other Expenses	28,510,953	28,510,953
<b>Total Short Term Provisions</b>	<b>47,086,428</b>	<b>45,159,017</b>

**NOTE NO 10 FIXED ASSETS AND DEPRICATION**

S. No.	Particulars	Gross Block			Depreciation/Amortization				Net Block	
		As on 01.04.2014	Addition During the year	As on 31.03.2015	As on 01.04.2014	Deprn During the year	Excess Deprecion the period Reserves	As on 31.03.2015	Net Block as on 31.03.2015	Net block as on 31.03.2014
<b>I.</b>	<b>TANGIBLE ASSETS</b>									
1	LAND	26,335,198	-	26,335,198	-	-	-	-	26,335,198	26,335,198
2	PLANT & MACHINERY	3,973,640	89,000	4,062,640	570,934	464,827	-	1,035,761	3,026,880	3,402,707
3	ELECTRICAL EQUIPMENT	4,596,517	-	4,596,517	1,450,258	719,661	249,163	1,920,756	2,675,761	3,146,259
4	LABORATORY EQUIPMENT	127,822,724	17,690,168	145,512,892	25,112,331	17,885,234	-	42,997,565	102,515,328	102,710,394
5	OFFICE EQUIPMENT	3,510,488	220,486.00	3,730,974	1,104,296	1,336,644	637,504	1,803,436	1,927,538	2,406,192
6	COMPUTERS	1,569,433	-	1,569,433	1,554,976	25,769	69,357	1,511,388	58,045	14,457
7	FURNITURE	5,037,456	119,960	5,157,416	1,336,721	569,564	41,667	1,864,618	3,292,798	3,700,735
8	VEHICLES	11,469,664	1,391,885	12,861,549	3,973,217	1,531,706	736,180	4,768,743	8,092,806	7,496,447
	<b>SUB TOTAL (A)</b>	<b>184,315,120</b>	<b>19,511,499</b>	<b>203,826,619</b>	<b>35,102,732</b>	<b>22,533,405</b>	<b>1,733,871</b>	<b>55,902,266</b>	<b>147,924,353</b>	<b>149,212,388</b>
<b>II.</b>	<b>INTANGIBLE ASSETS</b>									
1	TECHNICAL KNOW HOW	70,252,977	-	70,252,977	15,826,914	7,023,395	-	22,850,309	47,402,667	54,426,062
2	COMPUTER SOFTWARE	5,212,686	144,775	5,357,461	2,918,282	907,582	80,721	3,745,143	1,612,318	2,294,404
	<b>SUB TOTAL (B)</b>	<b>75,465,663</b>	<b>144,775</b>	<b>75,610,438</b>	<b>18,745,196</b>	<b>7,930,977</b>	<b>80,721</b>	<b>26,595,452</b>	<b>49,014,986</b>	<b>56,720,467</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>259,780,782</b>	<b>19,656,274</b>	<b>279,437,056</b>	<b>53,847,928</b>	<b>30,464,382</b>	<b>1,814,592</b>	<b>82,497,718</b>	<b>196,939,338</b>	<b>205,932,854</b>
	<b>PREVIOUS YEAR</b>	<b>245,546,712</b>	<b>14,234,071</b>	<b>259,780,783</b>	<b>38,222,614</b>	<b>15,625,314</b>		<b>53,874,928</b>	<b>205,932,854</b>	<b>206,042,197</b>

**NOTE NO. 11 : OTHER NON - CURRENT ASSETS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	28,159	60,849
<b>Total Other Non Current Assets</b>	<b>289,265</b>	<b>321,955</b>

**NOTE NO. 12 : INVENTORIES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Stores, Spares & Rodent Feed	1,671,604	409,739
b) Others (Rodent)	45,198,650	2,660,770
<b>Total Inventories</b>	<b>46,870,254</b>	<b>3,070,509</b>

**NOTE NO. 13 : TRADE RECEIVABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Outstanding for a period exceeding six months from the date they are due for payment Secured, Considered Good	43,080,514	43,046,510
Other Receivables Unsecured, Considered Good	-	-
<b>Total Trade Receivables</b>	<b>43,080,514</b>	<b>43,046,510</b>

**NOTE NO. 14 : CASH AND BANK BALANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks :		
1) On Current Accounts	16,961,067	11,251,598
2) Bank deposits with less than 12 months maturity	-	17,834,572
b) Cash on hand	101,694	106,710
c) Others: SBIRI - No Lien Account	-	7,792,479
<b>Other Bank Balances</b>		
On Deposit Accounts	-	-
a) Having Maturity more than 12 Months	88,580,529	75,436,452
<b>Total Cash and Cash Equivalents</b>	<b>105,643,290</b>	<b>112,421,811</b>

**NOTE NO. 15 : SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Security Deposit, Loans & Advances		
Security Deposit	3,549,443	2,702,611
Loans & Advances	8,792,637	28,463,956
<b>Total short term loans &amp; advances</b>	<b>12,342,080</b>	<b>31,166,567</b>

**NOTE NO.16 : OTHER CURRENT ASSETS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
TDS, Service Tax and Prepaid Insurance	8,385,282	4,460,476
<b>Total Other Current Assets</b>	<b>8,385,282</b>	<b>4,460,476</b>

**NOTE NO. 17 : REVENUE FROM OPERATIONS**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
Revenue from Operations	177,884,920	161,255,212
<b>Total Revenue from Operations</b>	<b>177,884,920</b>	<b>161,255,212</b>

**NOTE NO. 18 : OTHER INCOME**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Interest income	8,812,039	8,819,050
(b) Other Income	663,422	10,114
<b>Total Other Income</b>	<b>9,475,461</b>	<b>8,829,164</b>

**NOTE NO. 19 : CHANGE IN INVENTORIES & WIP**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
<b>Finished Goods</b>		
Finished goods at the beginning of the year	3,070,509	439,385
Less : Finished goods at the end of the year	46,870,254	3,070,509
<b>Total Change in Inventories &amp; WIP</b>	<b>(43,799,745)</b>	<b>(2,631,124)</b>

**NOTE NO. 20 : EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Salaries & Wages	26,414,659	20,088,168
(b) Contribution to Provident & Other Funds	2,375,255	1,508,590
(c) Staff Welfare Expenses	582,887	683,697
<b>Total Employee Benefit Expenses</b>	<b>29,372,801</b>	<b>22,280,455</b>

**NOTE NO. 21 : OTHER OPERATING EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Power & Fuel	16,785,954	17,763,614
(b) Rent	50,751,894	49,973,698
(c) Repairs to Machinery	1,565,253	135,610
(d) Insurance	291,851	274,835
(e) Net loss on foreign currency transaction	62,524	(18,776)
(f) Payment to Auditors:		
(i) As Auditor	84,270	84,270
<b>Total Other Expenses</b>	<b>69,541,746</b>	<b>68,213,251</b>

**NOTE NO. 22 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Telephone, Postage and Others	756,432	417,391
(b) Business Promotion Expenses	478,387	5,438,839
(c) Conveyance	2,982,836	1,999,723
(d) Office Maintenance	3,381,845	3,359,703
(e) Printing & Stationery Expenses	444,875	231,664
(f) Rates & Taxes (excluding Income Tax)	520,767	3,245,273
(g) Managerial Remuneration	1,763,704	3,358,704
(h) Consultancy Charges	6,752,941	4,104,931
(i) Seminar Fee	51,500	125,470
(j) Royalty	710,080	2,173,911
(k) Interest on taxes Payable	368	-
<b>Total Administrative Expenses</b>	<b>17,843,735</b>	<b>24,455,610</b>

**NOTE NO. 23 : FINANCE COST**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
Interest Expenses : - Interest on Working Capital	5,139,660	3,928,972
<b>Total Finance Cost</b>	<b>5,139,660</b>	<b>3,928,972</b>

**NOTE NO. 24 : OTHER EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) AMC Charges	2,364,884	1,944,970
<b>Total Other expenses</b>	<b>2,364,884</b>	<b>1,944,970</b>

**Note: 25**

Particulars	Current year (₹)	Previous Year (₹)
Directors Remuneration	17,63,704/-	33,58,704/-

**Note: 26**

Particulars	Current Year (₹)	Previous Year (₹)
<b>Auditor's Remuneration:</b>		
Audit Fee	84,270/-	84,270/-

**Note: 27****Foreign Exchange Inflow & Outflow**

Particulars		Current Year (₹)	Previous year (₹)
a)	Inflow	Rs. 1,13,74,445	Rs.7,49,40,000
b)	Outflow for Capital Expenditure	Rs. 54,80,000	Rs.138,29,000

**Note: 28**

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

**NOTE 29: 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	1,00,000
2	Vivobio Discovery Services Pvt Ltd	1,00,000

**NOTE 30: 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	2014-2015	2013-2014
Profit available for the equity share holders	46,83,992	29,36,832
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	0.50	0.31
Diluted	0.50	0.31

**Note: 31**

There are no dues to SSI Units outstanding for more than 45 days.

**Note: 32**

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



**Note: 33**

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.

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

**Note: 34**

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 35**

The company confirms that it has paid the annual listing fees for the year 2015-16 to Bombay Stock Exchange.

**Note 37 Deferred Tax Asset/ Liability:**

Particulars.	As at 31.3.2015 ₹	As at 31.3.2014 ₹
Deferred Tax Liability		
Opening Balance	1,42,56,739	1,17,13,822
ADD: Deferred tax liability	(30,68,237)	25,42,917
<b>Total</b>	<b>1,11,88,502</b>	<b>1,42,56,739</b>

**Note 36 Related Party Transactions.**

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

**Related Party Disclosures****a) Subsidiary Companies:**

- 1) Vivobio Labs Pvt Ltd
- 2) Vivobio Discovery Services Pvt Ltd

**b) Key Management Personnel:**

<b>S.NO</b>	<b>NAME</b>	<b>Designation</b>
1	Dr. A. Sankaranarayanan	Whole Time Director
2	M. Kalyan Ram	Whole Time Director
3	Srinivasu Padala	Chief Financial Officer
4	Challapalli Varun Kumar	Company secretary

The followings are the related party transactions:

<b>Name of the related Party</b>	<b>Nature of transaction</b>	<b>Current year (Rs)</b>	<b>Previous year (Rs)</b>
M. Kalyan Ram	Remuneration	3,21,204	2,40,903
Dr Sankar Narayanan	Remuneration	14,42,500	29,77,500
K. Sri Kalyan	Remuneration	NIL	1,40,301
Virinchi Technologies Ltd	Lease Rental paid	30,00,000	30,00,000

**Note: 39**

Previous years figures have been regrouped wherever necessary.

**Note: 40**

The figures have been rounded off to the nearest rupee.

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 : 28-05-2015

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

**Dr. A. Sankaranarayanan**  
Whole Time Director

**Challapally Varun Kumar**  
Company Secretary

**M. Kalyan Ram**  
Whole Time Director

**Srinivasu Padala**  
Chief Financial Officer

**FORM NO. AOC - 1**

1.	Name of the subsidiary	Vivobio labs Private Limited	Vivobio Discovery Service Pvt Ltd
	Share capital	100,000	100,000
	Reserves & surplus	(16,854)	(16,854)
	Total assets	1,360,664	88,764
	Total Liabilities	1,277,518	5,618
	Investments	Nil	Nil
	Turnover	Nil	Nil
	Profit before taxation	Nil	Nil
	Provision for taxation	Nil	Nil
	Profit after taxation	Nil	Nil
	Proposed Dividend	Nil	Nil
	% of shareholding	100%	100%

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Na
b)	Nature of contracts/arrangements/transaction	Na
c)	Duration of the contracts/arrangements/transaction	Na
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Na
e)	Justification for entering into such contracts or arrangements or transactions'	Na
f)	Date of approval by the Board	Na
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Na

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Virinchi Technologies Ltd
b)	Nature of contracts/arrangements /transaction	Lease rent paid
c)	Duration of the contracts/arrangements transaction	As per the lease agreement
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	30,00,000
e)	Date of approval by the Board	30/08/2014
f)	Amount paid as advances, if any	-

M/s. VIVO BIO TECH LIMITED  
**CIN : L65993TG1987PLC007163**

Registered office: 608,lingapur complex,Himayatnagar Hyderabad-500 029, Telangana  
E.mail:investors@vivobio.com ; www.vivobio.com

**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**  
(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Vivo Bio Tech Limited.

I hereby record my presence at the 28th Annual General Meeting of the shareholders of Vivo Bio Tech Limited on Wednesday, 30th September, 2015 At 1.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026

DP ID*	Reg. Folio No.
Client ID*	No of Shares

\*Applicable if shares are held in electronic form

Name and Address of Member

---

Signature of Shareholder/ Proxy/  
Representative (Please Specify)

**Form No. MGT-11****Proxy form**

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

CIN	:	<b>L65993TG1987PLC007163</b>	
Name of the Company	:	VIVO BIO TECH LIMITED	
Registered Office:		608,lingapur complex,Himayatnagar Hyderabad-500 029, Telangana	
Name of the Member	:		
Registered Address	:		
Email ID	:		
Folio No/ Client ID	:	DP ID.:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
2.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
3.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual general meeting of the company, to be held on the 30th day of September, 2015 At 1.00 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 resolutions as are indicated below:

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1.	Consider and adopt audited financial statements as at 31.03.2015 and profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2	Re-appointment of M. KALYAN (DIN – 02012580) Director who retires by rotation		
3.	Ratification of appointment of statutory auditor and fix their remuneration		
4.	Appointment of Mrs. Sharmistha Manna as independent Director of the Company		

Signed this ..... day of ..... 2015.

Affix Revenue Stamp
---------------------------

Signature of shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# Book Post

*If undelivered please return to :*

## **Vivo Bio Tech Ltd.**

#608, 6th Floor,  
Lingapur Complex,  
Himayath Nagar, Hyderabad,  
Telangana INDIA - 500 029.  
Ph: +91-40-66784714, 66784719  
Fax: +91-40-66776112