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Annual General meeting on Friday, September 30, 2016 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.

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**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

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## Message from CEO

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 FY2016

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

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## NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of the Company will be held on Friday, the 30th day of September, 2016, at 1.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500026 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, 2016, 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, 2016.
2. To appoint a Director in place of Mr. A. Sankarnarayanan, who retires by rotation, and being eligible, offers herself 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, 2015, 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, 2017 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. **Re-appointment of Mr M Kalyan Ram. (DIN 02012580), as Whole-time Director of the Company.**

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

"RESOLVED THAT pursuant to recommendation of the Board Governance, Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. M Kalyan Ram, as Whole-time Director of the Company with effect from 29th July, 2016 to 28th July, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. M Kalyan Ram.

RESOLVED FURTHER THAT the remuneration payable to Mr. M Kalyan Ram , shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and the Board be and is hereby authorized to revise the gross salary of the appointee by maximum of 50% per annum.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

**5. Appointment of Mr Alangudi Sankaranarayanan (DIN 02703392),as Whole-time Director of the Company.**

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

"RESOLVED THAT pursuant to recommendation of the Board Governance, Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Alangudi Sankaranarayanan, as Whole-time Director of the Company with effect from 28th May, 2016 to 27th May, 2021, as well as the payment of salary, upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Alangudi Sankaranarayanan.

RESOLVED FURTHER THAT the remuneration payable to Mr. Alangudi Sankaranarayanan, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and the Board be and is hereby authorized to revise the gross salary of the appointee by maximum of 50% per annum.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the afore said resolution.

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

**Challapalli Varun Kumar**  
Company Secretary  
M.No. A31280

Place : Hyderabad  
Date : 31.08.2016

## 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 bye-mail to its Members. Your Company believes that this is are markable 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 mail address to the irrespective 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 bye-mail, upon receipt to far equisition 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 here to. Particulars of the Directors who are proposed to be appointed /re-appointed at this meeting as required under SEBI (LODR) Regulations, 2015 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, 2016 to 30th September 2016 (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 Suryanaryanarao, Practicing Company Secretary as Scrutinizer for conducting e-voting process for the 29th 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, and Regulation 44 of SEBI (LODR) Regulations, 2015 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 29th Annual General Meeting (AGM) to be held on 30.09.2016. 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 Tuesday, 27th September, 2016 at 9.00 a.m. and ends on Thursday, 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, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

(a) Instructions for e-voting

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

- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <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.



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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.

- j) 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 : 31.08.2016

**Challapalli Varun Kumar**  
Company Secretary  
M.No. A31280

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

1. Name	:	<b>M. Kalyan Ram</b>
Age	:	38 Years
Qualifications	:	MBA
Expertise	:	He has 16 years of experience in the field of Accounting, finance and Administration
Membership of Committee	:	NIL
Shareholding	:	NIL
Other Directorships	:	NIL
2. Name	:	<b>Dr. Alangudi Sankaranarayanan</b>
Age	:	65 Years
Qualifications	:	Ph.D., M. Pharm,
Expertise	:	He is a discovery scientist with more than 40 years of experience in Pharmaceutical R&D. He has unique blend of Scientific and Management experience in drug discovery and development.
Membership of Committee	:	NIL
Shareholding	:	NIL
Other Directorships	:	NIL

## **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on 27th May, 2016 approved appointment of Mr. M Kalyan Ram as whole Time Director of the company for a period of 5 years with effect from 29th July, 2016 and subject to section 197 and Schedule V of the Companies Act,2013 require approval of the shareholders in the next general meeting of the company. Approval of the members is required by way of Ordinary resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. M Kalyan Ram and the terms and conditions of the appointment are given below:

i. Salary: Rs. 30,000/- per month.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. M Kalyan Ram. The Board of Directors recommends the resolution in relation to the appointment of Whole-time Director, for the approval of the members of the Company.

Notice has been received from member signifying their intention to propose appointment of Mr. M Kalyan Ram as Whole-time Director of the Company. The disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as Annexure of this Notice. Except Mr. M Kalyan Ram and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

### **Item No. 5**

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on 27th May, 2016 approved appointment of Mr. Alangudi Sankaranarayanan as whole Time Director of the company for a period of 5 years with effect from 27th May, 2016 and subject to section 197 and Schedule V of the Companies Act,2013 require approval of the shareholders in the next general meeting of the company. Approval of the members is required by way of Ordinary resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Alangudi Sankaranarayanan and the terms and conditions of the appointment are given below:

i. Salary: Rs.1,00,000/- per month.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. Alangudi Sankaranarayanan. The Board of Directors recommends the resolution in relation to the appointment of Whole-time Director, for the approval of the members of the Company.

Notice has been received from member signifying their intention to propose appointment of Mr. Alangudi Sankaranarayanan as Whole-time Director of the Company. The disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided at Annexure of this Notice. Except Mr. Alangudi Sankaranarayanan and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 29th Directors' Report on the business and operations of your company, for the financial year ended 31st March, 2016.

### Financial Highlights:

(Rs in Lakhs)

Particulars	2015-16	2014-15
Total Income	2947.58	1873.60
Profit before interest, Depreciation and Tax	460.01	375.31
Interest	46.57	51.40
Depreciation	335.40	304.64
Provision for Taxation	14.87	3.67
Profit after interest, Tax and depreciation	63.17	15.59
Deferred Tax provision	(27.83)	(30.68)
Balance brought for ward	(479.02)	(543.46)
Balance Carried to Balance Sheet	(388.03)	(479.02)

### RESULTS OF OPERATIONS:

Following are the results of operations for the financial year 2015-16

### BUSINESS PERFORMANCE

**Consolidated Revenues:** The total income of the Company for the FY 2015-16 comprises operating revenues of Rs. 2947.58 as against Rs.1873.60 Lakhs in FY 2014-15

**Profits:** Profit before Tax (PBT) stood at Rs. 78.04 lacs as against Rs. 19.27 Lacs for the previous year. Profit after Tax (PAT) stood at Rs. 91.00 lacs as against Rs. 46.28 Lacs for the previous year.

### RESERVES AND SURPLUS

During the year the Company has transferred an amount of Rs. 91.00 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

#### Appointments:

In accordance with the provisions of the Companies Act, 2013 the Board has re-appointed Mr. M Kalyan Ram as Whole Time Director and appointed Mr. A. Sankaranarayanan as Whole Time

Director of the company, subject to approval of the shareholders in general meeting of the company. Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, directorships in other companies as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the report on corporate governance.

**Cessations:**

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

**Share Capital :**

The paid up Equity Share capital of the company as on 31st March, 2016 was 935.05 lacs. During the year the company had issued shares as detailed below.

Particulars	As at 31st March, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs
<b>Share capital</b>				
(a) Authorised Equity Shares of Rs.10/-each	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
b) issued Subscribed and fully paid up: Equity Shares of Rs. 10/-each	93,50,520	93,505,200	93,50,520	93,505,200
	93,50,520	93,505,200	93,50,520	93,505,200

**Reconciliation of Shares outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31st March, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs
Equity Shares				
Shares outstanding at the beginning of the year	93,50,520	93,505,200	93,50,520	93,505,200
Add: issued and allotted during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	93,50,520	93,505,200	93,50,520	93,505,200

**ii) Terms/Rights and restrictions attached to the Equity Shares:**

The Company has only one class of Equity Shares having a face value of Rs.10/-. Each Shareholder is eligible for one vote per every share held.

### iii) Details of Shareholders holding more than 5% shares in the Company.

Name of the Shareholder	As on 31.03.2016 No. of Shares	As on 31.03.2015 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

### 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.

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## **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.

## **DECLARATION BY INDEPENDENT DIRECTORS :**

The company has received declarations from all the independent directors of the company confirming that they continue to meet the criteria of independence as prescribed under sub-section (6) of section 149 of the companies act, 2013 and under Regulation 25 of SEBI ( Listing obligations and Disclosure Requirements) Regulations, 2015

Mr. M. Kalyan Ram, Whole Time Director, Mr. Srinivasu Padala, Chief Financial Officer and Challapalli Varun Kumar, Company Secretary are the Key Managerial Personnel (KMP) of the Company in terms of the provisions of the Act.

## **Familiarisation Programme for Independent Directors**

On their appointment, Independent directors are familiarized about the Company's operations and business. Interaction with the Business Heads and key executives of the company is also facilitated. Detailed Presentations on the business of each of the Processes are made to the directors. Direct Meetings with the Chairperson are further facilitated for the new appointee to familiarize about the company/its businesses and the group practices.

## **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI ( Listing obligations and Disclosure Requirements) Regulations, 2015 the board has carried out evaluation of its own performance, the performance of committees of the Board, namely Audit Committee, Stakeholders Relationship committee and Nomination and Remuneration Committee and also the Directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned out in the report on corporate Governance

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## Material Subsidiary Policy

The company has adopted a policy for determining a material subsidiary, in line with the requirements of the Act and SEBI (LODR) Regulations, 2015. The policy on Material Subsidiary is available on the website of the company. [www.vivobio.com](http://www.vivobio.com)

## Sexual Harassment Policy

The company as required under the provisions of "The Sexual Harassment of women at Workplace (Prohibition, prevention and Redressal) Act, 2013 has framed a policy on Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto. Internal complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, temporary, trainees) are covered under this policy

In the year under review the company has not received any complaint under this policy.

## Governance Policies

At Vivo, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Whistle Blower Policy
- Code of Conduct for Board of Directors and Officers of Senior Management
- Policy for determining materiality for disclosure
- Document Retention and Archival Policy
- Sexual Harassment Policy

The link accessing the above policies is available at [www.vivobio.com / corporateprofile.php](http://www.vivobio.com/corporateprofile.php)

## Board Disclosures

### i. Risk Management

Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks are being identified by a detailed study. Senior Management are analysing and working in mitigating them through co-ordination among the various departments. Insurance coverage and personal accident coverage for lives of all employees are also being taken.

Your company puts in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Presentation to the Board of Directors and the Audit Committee is made on risk management. The Board and the Audit Committee provides oversight and review the risk management policy periodically.



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## **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, 2016, 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 safe guarding 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, 2016 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 under Regulation 34 (3) read with Schedule V (E), of the SEBI (LODR) Regulations, 2015. 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 and Audit Report**

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

The company has received consent letter from the Statutory auditors and certificate indicating satisfaction of criteria sated in Section 141 of Companies Act, 2013 .

## **SECRETARIAL AUDIT:**

Mr. N V S S Suryanarayananarao , Practicing Company Secretary was appointed to conduct Secretarial

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Audit of the company for the financial year 2015-16, as required under section 204 of the Companies Act, 2013 and rules framed there under. The Secretarial Audit report for financial year 2015-16 forms part of board's report as Annexure

The Board has appointed Mr. V Chandra Sekhar Patnaik, Practicing Company Secretary as Secretarial Auditor of the Company for financial year 2016-17.

### **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 to Directors Report

### **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 as Annexure to Directors Report

### **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**

Pursuant to Regulation 33 of SEBI( LODR) Regulations, 2015 and the Companies Act, 2013, the consolidated financial statements prepared as per companies Act, 2013 and applicable Accounting Standards, duly audited forms part of the Annual Report.

Consolidated financial statements incorporating the operations of the company, its subsidiaries is appended. As required under the provisions of the Act, a statement showing the salient features of the financial Statements of the subsidiaries is enclosed to this report. The financial statements of the subsidiary companies will be made available to the members of the company and its subsidiary companies on request and will also be kept for inspection in the registered office of the company.

### **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 is as follows:

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the company
1	M Kalyan Ram Whole Time Director	3.21	Nil	1.41	Profit before Tax increased by 405% and Profit After Tax increased by 96.63% in financial Year 2015-16
2	Challapalli Varun Kumar Company Secretary	5.00	38.88%	2.20	

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of Rs.60 lakhs or more, or employed for part of the year and in receipt of Rs.5 lakhs or more a month, under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 2.27 lakhs;
- iii) In the financial year, there was an increase of 32.93% in the median remuneration of employees;
- iv) There were 92 employees on the rolls of Company as on March 31, 2016
- v) Relationship between average increase in remuneration and Company performance:  
The profit before tax increased by 405% and where as the increase in median remuneration was 32.93%.
- vi) Comparison of remuneration of the key managerial personnel (s) against the performance of the Company:  
The total remuneration of key managerial personnel was Rs. 8.21 lakhs where as profit before tax was Rs. 78.04 lakhs in 2015-16.
- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 at BSE was Rs.3833.71 lakhs (Rs.1547.51 lakhs as on March 31, 2015)  
b) Price Earnings ratio of the Company at BSE was 42 as at March 31, 2016 and was 33 as at March 31, 2015;
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 31.97% whereas the increase in the managerial remuneration for the same current financial year was 38.88%.
- ix) The key parameters for any variable component of remuneration availed by the directors: Not applicable

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- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year - Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

## **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 Under SEBI (LODR) Regulations, 2015.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
4. Neither of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future

## **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 : 31.08.2016

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

**Dr A. Sankaranarayanan**  
Whole Time Director  
DIN : 02703392

## Annexure to the Directors Report

### 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 2016	For Year ended 31st March 2015
<b>A. Power and Fuel Consumption</b>		
Electricity		
a. Electricity Purchase Units	26,90,753	17,64,016
Total Amount	1,95,00,489	1,48,05,846
Rate per unit (Average)	7.25	8.39
b. Own Generation from Diesel	95,500	108000
Generator Unit Rate per Unit	10.50	9.75

### 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

### Foreign Exchange Earnings and Outgo:

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

(Rs. in Lakhs)

Particulars	FY 2015-16	FY 2014-15
Foreign Exchange Earnings	483.39	113.74
Foreign Exchange Outgo	95.91	54.80

## Report on Corporate Governance

### 1. Company's Philosophy:

The Company believes that corporate governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for the effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. Through its processes and independence of functioning, the Board of Directors of the Company provides effective leadership to the Company and its management for achieving sustained prosperity for all the stakeholders.

The Company is in compliance with the requirements of revised guidelines on Corporate Governance stipulated under SEBI (LODR) Regulations, 2015 and with the adoption this year, of a code of conduct for Non-Executive Directors also, which has been put on in the website of the company at [www.vivobio.com](http://www.vivobio.com)

### 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 SEBI( Listing Obligations and Disclosure Requirement) Regulations,2015.
- 7 Board Meetings were held during the Financial Year 2015-16 and the gap between two Meetings did not exceed four months. The dates on which the said meetings were held are as follows:  
28<sup>th</sup> May, 2015, 12<sup>th</sup> August 2015, 31<sup>st</sup> August 2015, 13<sup>th</sup> November, 2015, 11<sup>th</sup> January,2016, 11<sup>th</sup> February, 2016, 29<sup>th</sup> March, 2016 .
- The necessary quorum was present for all meetings

#### 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	Whole Time Director	7	Yes	0	0	0
Alangudi Sankaranarayanan	Whole Time Director	6	Yes	0	0	0
K.V.Sittampalam	Independent Non-Executive Director	1	No	1	1	0
Sunder Kanapathy	Independent Non-Executive Director	7	Yes	0	0	0
Hariharan R	Independent Non-Executive Director	7	Yes	0	0	0
Shamistha Manna	Independent Non-Executive Director	7	Yes	0	0	0

# 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 SEBI (LODR) Regulations, 2015 memberships/chairmanships of only the Audit Committee and shareholders/ investors grievance committees all Public Limited Companies (Excluding Vivo Bio Tech Limited) 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.

### Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted formally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Directors takes appropriate steps to present their views to the Managing Director.

Two such meeting of Independent Directors was held during the year on 22nd March 2016 without the presence of Executive Directors and management personnel. The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2015-16	
	Held	Attended
Sunder Kanaparthi	1	1
Kunasingam V Sittampalam	1	1
Sharmistha M	1	1
Hariharan R	1	1

### 3. AUDIT COMMITTEE:

During the year under review Four (4) 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 Kanaparthu	Chairman	Independent Non-Executive Director	4
M. Kalyan Ram	Member	Executive Director	4
Kunasingam V Sittampalam	Member	Independent Non-Executive Director	1
Sharmistha M	Member	Independent Non-Executive Director	4

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.

- 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 Kanaparthu	Chairman	Independent Director
Kunasingam V Sittampalam	Member	Independent Director
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 2015-16 (in Rs.)		
	Sitting Fees	Salary	Total
A. Sankaranayanan	—	—	—
M. Kalyan Ram	—	3,21,204	3,21,204
Kunasingam V. Sittampalam	—	—	—
Sunder Kanaparthi	30,000	—	30,000
Hariharan R	30,000	—	30,000
Sharmistha M	30,000	—	30,000

**Shares held by Non-Executive Directors as on 31st March, 2016 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 M	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
Hariharan R	Member	Independent Non-Executive Director
M. Kalyan Ram	Member	Whole Time Director
Sharmistha M	Member	Independent Non-Executive 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: 0 Complaints  
Received: 7 Complied:- 7 Pending: 0

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

The outstanding complaints as on 31st March, 2016 were: NIL

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

Financial Year	Date & Time	Venue	Nature of Special Resolutions if any, passed
2014-15	30/09/2015 1.00 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-500026	<ul style="list-style-type: none"> <li>Appointment of Mrs. Sharmistha as Independent Director of the company for period of 5 yrs</li> </ul>
2013-14	30/09/2014 3.00 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-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 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 of sums of money from time to time.</li> </ul>
2012-13	28/09/2013 1.00 PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	<ol style="list-style-type: none"> <li>Appointment of Mr.M. Kalyan Ram As Whole Time Director of the Company, for a period of 3(Three) 30th July, 2013 on a monthly remuneration of Rs. 30,000/- per month.</li> <li>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>

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

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## 7. Means of Communication

### **Quarterly results:**

The Company's quarterly results are published in Financial Express, and Nava Telangana, and are displayed on website [www.vivobio.com](http://www.vivobio.com).

News releases, presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges.

### **Website:**

The Company's website [www.vivobio.com](http://www.vivobio.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

### **Annual Report:**

The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to members and others entitled thereto.

### **Disclosures to Stock Exchanges:**

The Company informs BSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

### **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

### **SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### **Dedicated e-mail ID**

[Investors@vivobio.com](mailto:Investors@vivobio.com)

## 8. General Shareholder information

- a) AGM:Date,TimeandVenue : 30th September, 2016 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, 2016 : Before end of August, 2016
- Quarter ending September 30, 2016 : Before end of November, 2016
- Quarter ending December 31, 2016 : Before end of February, 2017
- Quarter ending March 31, 2017 : Before end of May, 2017
- c) Dateof Book Closure : 23.09.2016 to 30.09.2016(both days inclusive)
- d) ListingonStockExchangesBombay : The Company's Equity shares are listed on the Stock Exchange (BSE)
- e) Payment of Listing Fee : The Company has paid the listing feest other BSE for the financial year 2016-17
- f) Stock Code : BSE: 511509  
Demat ISIN in NSDL andCDSL:INE380K01017

## g) MarketPriceData

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
June, 2015	17.35	17.35	20
July, 2015	18.65	17.80	60
August, 2016	19.55	19.55	250
September, 2015	20.50	20.50	14
October, 2015	22.55	21.50	2620
November, 2015	23.65	23.65	20
December, 2015	30.05	24.80	290
January, 2016	39.05	31.55	424
February, 2016	41.00	38.50	20515
March, 2016	41.00	35.20	13128

Source:www.bseindia.com

- h) Registrar and Share transfer agents : Aarthi Consultants Pvt Ltd.  
1-2-285,Domalguda,Hyderabad-500029.  
Ph: 27634445, 27638111 Fax:27632184
- i) ShareTransferSystem : 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, 2016

Share holding of Nominal value		Shareholders		Sharesheld	
	Rs.	Numbers	% of total	No.	% of total
	(1)	(2)	(3)	(4)	(5)
1	5000	5925	98.72	222623	2.38
5001	10000	22	0.37	16554	0.18
10001	20000	16	0.27	22796	0.24
20001	30000	1	0.02	2590	0.03
30001	40000	1	0.02	3580	0.04
40001	50000	2	0.03	10000	0.11
50001	100000	8	0.13	70777	0.76
100001	And above	27	0.45	9001600	96.27
	TOTAL	6002	100	9350520	100

k) Shareholding pattern as on 31st March 2016

Category		No. of Shares held	% of Shareholding
<b>A</b>	<b>PROMOTER'S HOLDING:</b>		
1.	Promoters*		
	- Indian Promoters	44,71,500	47.82
	- Foreign Promoters	Nil	Nil
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	15,89,855	17.00
2.	Indian Public	8,03,823	8.60
3.	N RIs / OCBs	24,85,000	24.97
4.	Employee Trusts	Nil	Nil
5.	Clearing Members	342	0.004
	<b>TOTAL</b>	<b>93,50,520</b>	<b>100.00</b>

## **I) EQUITY SHARES IN SUSPENSE ACCOUNT**

As per Clause 5A of the Listing Agreement, the Company reports that No Equity Shares are lying in the suspense account as on 31st March, 2016.

### **m) Dematerialisation of Shares and liquidity:**

The Company's shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

An on 31st March 2016 a total of 3537966 Equity Shares were dematerialized representing 37.84% of the total paid up equity share capital of the Company.

### **Dematerialisation of Shares and Liquidity as on 31st March 2016**

	<b>No. of Shares</b>	<b>% of Total</b>
NSDL	2058568	22.02
CDSL	1479398	15.82
Physical	5812554	62.16
Total	9350520	100.00

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

**o) Address for Correspondence:** Vivo Bio Tech Limited, 608, Lingapur Complex, Himayath Nagar, Hyderabad - 500029.

### **p) Non —Mandatory Requirements:**

The Chairperson is entitled to reimbursement of expenses incurred in performance of her duties. At present other non mandatory requirements have not been adopted by the Company.

**By order of the Board**  
**For Vivo Bio Tech Limited**

PLACE : HYDERABAD  
DATE : 31.08.2016

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant Regulations 34(2) (C) of SEBI (LODR) Regulations, 2015 a report of Management Discussion and Analysis Report given below :

### Overview

Vivo Bio Tech is a full service CRO offering drug development and discovery services to pharmaceutical and biotech companies. The company is a 50,000 Sq. Ft. DSIR registered custom research facility, AAALAC, OECD, accredited & GLP compliant and 21 CFR Part 58 USFDA compliant. Vivo Bio Tech offers services in the areas of In vitro, In vivo, toxicity studies, pharmacological investigations, pharmacokinetics and toxic kinetic studies etc. It provides breeding, pathogen testing and non-clinical testing services for its global clientele. The annual production capacity of the company is 240,000 animals, which are housed in a large 125,000 Sq. Ft. animal facility. Our experienced and 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 an extensive range of Biologic Research Services across various expression systems. These services are offered to pharma, biotech and Agri companies with short turnaround time without compromising the quality of deliverables.

- 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

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical Cost Convention on an accrual basis, except for certain financial instruments valued at fair market 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)

### 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 the 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.

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These systems are meant to reconcile longer product development cycles inherent in 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, 2016 will again test the sector's ability to adapt in an era of transformation. The global biotechnology segment is expected to post revenues of \$445 billion, culminating a five-year average annual increase of 23 percent. The vast majority of biotech revenue is generated in Europe and the United States (where the segment has exhibited growth since 2009). 26 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 markets.

### **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 the 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 periods 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 the lengthy gestation period the companies' profit is deferred because delay before saleable products come out of the pipeline.

#### **Risks & concerns:**

The biotechnology industry is a high risk industry as the major part of the capital in spending on the Research and development for the development of the new products in the process the product may or may not emerge. Even after the 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 backbone 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 an 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



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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:**

Revenues: The total income of the Company for the FY 2015-16 comprises operating revenues of Rs. 2947.58 as against Rs. 1873.60 Lakhs in FY 2014-15

Profits: Profit before Tax (PBT) stood at Rs 78.04 Lacs as against Rs 19.27Lacs for the previous year. Profit after Tax (PAT) stood at Rs. 91.90 as against Rs. 46.28 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 bio scientists with skills that enhance their employability. A Declaration regarding compliance with the code of conduct and ethics policy.

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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.

PLACE : HYDERABAD  
DATE :31/08/2016

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

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## 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, 2016 as stipulated under SEBI (LODR) Regulations, 2015.

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.

PLACE : HYDERABAD  
DATE : 31/08/2016

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

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

## **Certification as required under SEBI (LODR) Regulations, 2015**

We, A. Sankaranarayanan, Whole Time 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.

**Dr. A. Sankaranarayanan**

Whole Time Director

DIN : 02703392

PLACE : HYDERABAD

DATE :31/08/2016

**M Kalyan Ram**

Whole Time Director

DIN : 02012580

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## **SECRETARIAL AUDIT REPORT**

### **For The Financial Year Ended on 31st March, 2016**

(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, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (b) The Securities and Exchange Board of India (Substantial Acquisition Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

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- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: (Not Applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the Audit Period);

**(i) 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.

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.

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  
31/08/2016

**N V S S Suryanarayana Rao**  
Practising Company Secretary  
COP No.: 2886

**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.

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## 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  
31/08/2016

**N V S Suryanarayana Rao**  
Practising Company Secretary  
COP No.: 2886

**Annexure to Boards Report  
Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

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

**I. REGISTRATION & OTHER DETAILS:**

i)	CIN	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 & contact details	608, Lingapur Complex, Himayathnagar, Hyderabad, Telangana-500029
vi)	Whether listed company	Yes
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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)

S. 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 Pvt. Ltd. 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)
3	Surlogic Life Consultancy Pvt. Ltd. Address: H.No. 3-11-47/A, Gokula Nagar, Ramanthapur, Hyderabad. Telangana-500032 CIN: U74999TG2010PTC068943	Subsidiary	100%	Sec.2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year (As at on 31st March 2014)				No. of Shares held at the end of the year (As at on 31st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	699500	160000	859500	9.19	459500	0	459500	4.91	-4.28
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	1595050	2667000	4262050	45.38	1345000	2667000	4012000	42.91	-2.67
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	2294550	2827000	5121550	54.77	1804500	2667000	4471500	47.82	-6.95
(2) Foreign									
NRI Individuals	150000	0	150000	1.6	0	0	0	0	-1.60
Other Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any other -	0	0	0	0	0	0	0	0	0
e(1)Overseas Corporate Bodies	1035000	0	1035000	11.07	0	0	0	0	-11.07
Sub Total (A) (2)	1185000	0	1185000	12.67	0	0	0	0	-12.67
<b>TOTAL(A)= A(1)+A(2)</b>	<b>3479550</b>	<b>2827000</b>	<b>6306550</b>	<b>67.45</b>	<b>1804500</b>	<b>2667000</b>	<b>4471500</b>	<b>47.82</b>	<b>-19.63</b>
<b>B. Public Shareholding</b>									
1. Institutions									
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	-0.04
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
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	290	1358570	1358860	14.53	251885	1337970	1589855	17.00	2.48
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20870	263554	284424	3.04	56239	282534	338773	3.62	0.58
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	24636	76050	100686	1.08	240000	225050	465050	4.97	3.90
c) Others (specify)									
i) Non Resident Indians	0	0	0	0	150000	0	150000	1.60	1.60
ii) Overseas Corporate	0	1300000	1300000	13.9	1035000	1300000	2335000	24.97	11.10
iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
iv) Clearing Members	0	0	0	0	342	0	342	0	0
Sub-total (B)(2):-	45796	2998174	3043970	32.55	1733466	3145554	4879020	52.16	19.63
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>45796</b>	<b>2998174</b>	<b>3043970</b>	<b>32.55</b>	<b>1733466</b>	<b>3145554</b>	<b>4879020</b>	<b>52.16</b>	<b>19.63</b>
<b>C. Non Promoter - Non Public</b>									
1. Shares held by Custodian for GDRs & ADRs -	0	0	0	0	0	0	0	0	0
2. Employee Benefit Trust under SEBI (SBE) Reg. 2014	508385	0	508385	2.83	508385	0	508385	2.83	0
<b>Total Non Promoter - Non Public</b>	<b>508385</b>	<b>0</b>	<b>508385</b>	<b>2.83</b>	<b>508385</b>	<b>0</b>	<b>508385</b>	<b>2.83</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>3525346</b>	<b>5825174</b>	<b>9350520</b>	<b>100</b>	<b>3537966</b>	<b>5812554</b>	<b>9350520</b>	<b>100</b>	



## B. Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares shareholding encumbered to total shares	% change in shareholding during the year
1	KOMPELLAMADHAVI LATHA	250000	2.67	0	250000	2.67	0	0
2	K VISWANATH	150100	1.61	0	150100	1.61	0	0
3	TOOMULURU SITAMMA	59400	0.64	0	59400	0.64	0	0
4	VIRASYSTEMS PRIVATE LIMITED	1345000	14.38	0	1345000	14.38	0	0
5	MAX CELL PHONE COMMUNICATIONS INDIA PVT.LTD.	800000	8.56	0	800000	8.56	0	0
6	.IRON AGE INDIA LIMITED	600000	6.42	0	600000	6.42	0	0
7	IRAGAVARAPU CONSTRUCTIONS PRIVATE LIMITED	600000	6.42	0	600000	6.42	0	0
8	P.K.I SOLUTIONS PVT LTD	600000	6.42	0	600000	6.42	0	0
9	SHRI SHRI RESORTS PRIVATE LIMITED	67000	0.72	0	67000	0.72	0	0

## C. 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	63,06,550	67.45		
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): At the beginning of the year	(1835050)	(19.63)	NA	
	At the end of the year	44,71,500	47.82		

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

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	EVERY WEAR IMPORT AND EXPORT PVT LTD	1350000	14.44	1330000	14.22
2	ELITE CLASS ASSET HOLDINGS LTD	1300000	13.90	1300000	13.90
3	ANIL KUMAR PINAPALA	260000	2.78	260000	2.78
4	A.P. SRINIVAS	50000	0.53	50000	0.53
5	KRISHNA KUMAR RAJU DATLA	24636	0.26	5000	0.05
6	MURALIDHAR REDDY MAMILLA	16000	0.17	16000	0.17
7	R VARALAKSHMI	10050	0.11	10050	0.11
8	NARASIMHA RAMACHANDRA KAUSHIK	10000	0.11	10000	0.11
9	RAMAKRISHNAM RAJU UDDARAJU .	9130	0.10	9130	0.10
10	G VIJAY BABU	8667	0.09	8667	0.09

**E) INDEBTEDNESS :** Indebtedness of the Company including interest outstanding / accrued but not due for payment .

	Secured Loans	Unsecured Loans excluding deposits	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	56920287	-	-	56920287
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial	56920287	-	-	56920287
* Addition	467704189	-	-	467704189
* Reduction	473181158	-	-	473181158
<b>Net Change</b>	51443319	-	-	51443319
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	51443319	-	-	51443319
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	51443319	-	-	51443319

(v) Shareholding of Directors and Key Managerial Personnel :

SN	For each of the Top 10 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
1	Dr. 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	Kalyan Ram M 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 P - 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.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/ WTD/Manager		Total Amount
	Name	A. Sankaranayanan Whole Time Director	Kalyan Ram M Whole Time Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	3,21,404	3,21,404
	(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
	Total (A)	Nil	3,21,404	3,21,404
	Ceiling as per the Act	Overall ceiling as per Companies Act, 2013 is Rs. 10.01 lakhs (being 11% of Net Profit of the Company calculated as per Section 198 of the Act).		

### B. Remuneration to other Directors (Amount in Rs.)

S. No	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
1	Independent Directors	Kunasingam V Sittampalam	Sunder Kanaparthu	Hari Haran R	Sharmistha Manna	
	Fee for attending board and committee meetings		30,000	30,000	30,000	90,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	-	-	-	-	-
	Total (1)	Nil	Nil	-	Nil	Nil
2	Other Non-Executive Directors					
	Fee for attending board and committee meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	30,000	30,000	30,000	90,000
	Overall Ceiling as per the Act	Overall ceiling as per Companies Act, 2013 is Rs. 10.01 lakhs (being 11% of Net Profit of the Company calculated as per Section 198 of the Act).				

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

SN.	Particulars of Remuneration	Name of MD/ WTD/Manager		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	5,00,000	5,00,000
	(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	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (C)	Nil	5,00,000	5,00,000

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**FORM AOC - I****PART - A****STATEMENT SHOWING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES  
AS PER THE COMPANY ACT, 2013**

<b>1.</b>	<b>Name of the subsidiary</b>	<b>Vivo Bio Labs Private Limited</b>	<b>Vivo Bio Discovery Services Pvt Ltd</b>	<b>Surlogic Life Consultancy Pvt Ltd</b>
	Share Capital	100,000	100,000	1,00,000
	Reserves & Surplus	(22,472)	(22,472)	(5725)
	Total assets	13,55,046	83,146	758300
	Total Liabilities	12,77,518	5,618	664025
	Investments	Nil	Nil	Nil
	Turnover	Nil	Nil	Nil
	Profit before taxation	Nil	Nil	Nil
	Provision for taxation	Nil	Nil	Nil
	Profit after taxation	Nil	Nil	Nil
	Proposed Dividend	Nil	Nil	Nil
	% of shareholding	100%	100%	100%

**PART - B :****JOINT VENTURE :**

There are no joint ventures to report.

**Annexure to Directors' Report****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.**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
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.**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Virinchi 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	—

Place : Secunderabad  
Date : 31.08.2016

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Vivo Bio Tech Limited

### Report on the Standalone Financial Statements

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

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone financial statement 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit and its cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**' and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2016 on its financial position in its standalone 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 is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2016.

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

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

Place : Hyderabad

Date : 27/05/2016

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## Annexure A to the Auditors Report

### Annexure referred to in Independent Auditors Report to the Members of Vivo Bio Tech Limited on the standalone financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable interval by the management during the year. There were no discrepancies noticed on physical verification of inventory as compared to book records and have been appropriately dealt with in the books of accounts.
- iii. The company has granted loans to 2 bodies corporate covered in the register maintained under section 189 of the companies Act 2013 ('the Act').
  - a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not prejudicial to the interest of the company.
  - b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrower have been regular in the payment of principal and interest as stipulated.
  - c) There is no overdue amount in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the companies Act 2013 in respect of loan and investment made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. In respect of the company, the central government has not prescribed maintenance of cost records under sub section (1) of section 148 of the companies Act, 2013.
- 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, sales tax 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, sales tax and other material statutory dues in arrears as at 31<sup>st</sup> March 2016 for a period of more than 6 months for the date they became payable.

- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Provident fund, Employees state insurance, income tax, service tax, custom duty, sales tax and other material statutory dues, which have not been deposited on account of any disputes except as follows:

Name of the Statute	Nature of Disputes	Amount in Rs	Period for which amount relates (F Y)	Forum where disputes pending.
Income Tax Act, 1961	U/S 143(3) of the I T Act	Nil	2008-09	CIT(A)- Hyderabad
Income Tax Act, 1961	U/S 143(3) of the I T Act	Nil	2009-10	CIT(A)- Hyderabad

- viii. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or governments or dues to debenture holder as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related parties transactions have been disclosed in the financial statements as required under Accounting Standard – 18 and related parties disclosure specified under section 133 of the Act, read with Rule 7 of the companies (accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

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

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

Place : Hyderabad  
Date : 27/05/2016

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## **Annexure B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of **Vivo Bio Tech Limited** ('the company') as on 31<sup>st</sup> march 2016 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting ( the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of martial misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly

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reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Hyderabad  
Date : 27/05/2016

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

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

**M/s. VIVO BIO TECH LTD**  
**STANDALONE BALANCE SHEET**

PARTICULARS	Note No.	As At 31/03/2016 ₹	As At 31/03/2015 ₹
<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	7,325,870	(1,773,833)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	23,393,315	26,596,425
(b) Deferred tax liabilities (Net)	4	8,405,859	11,188,502
(c) Long term provisions	5	2,030,215	1,601,041
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	28,050,004	30,323,862
(b) Trade payables	7	87,463,132	68,535,030
(c) Other Current Liabilities	8	194,880,981	175,203,564
(d) Short-term provisions	9	11,660,578	9,115,358
<b>Total</b>		<b>456,715,153</b>	<b>414,295,151</b>
<b>B. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	169,423,714	146,642,453
(ii) Intangible assets		64,079,664	49,014,986
(iii) Capital work-in-progress		419,482	706,264
(b) Non-current investments	11	300,000	200,000
(c) Long term loans and advances	12	360,337	289,265
<b>(2) Current assets</b>			
(a) Short Term Advances	13	40,814,026	46,870,254
(b) Trade receivables	14	38,190,757	43,080,514
(c) Cash and cash equivalents	15	118,511,094	105,592,179
(d) Short-Term Loans and Advances	16	8,620,533	13,513,955
(e) Other current assets	17	15,995,547	8,385,282
<b>Total</b>		<b>456,715,153</b>	<b>414,295,151</b>

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

Notes referred to above form an integral part of the standalone financial statements.

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 : 27.05.2016

For and on behalf of the Board

**Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Whole Time Director

DIN : 02703392

**Challapally Varun Kumar**

Company Secretary

M.No. A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

**M/s. VIVO BIO TECH LTD**  
**Standalone Statement of Profit and Loss**

PARTICULARS	Note No.	Year Ended 31/03/2016 ₹	Year Ended 31/03/2015 ₹
1. Revenue from operations	18	285,832,984	177,884,920
2. Other Income	19	8,925,395	9,475,461
<b>3. Total Revenue (1 +2)</b>		<b>294,758,378</b>	<b>187,360,381</b>
<b>4. Expenses:</b>			
a) Purchases		81,929,418	74,505,958
b) Changes in Inventories	20	6,056,228	(43,799,745)
c) Employee Benefit Expenses	21	43,426,017	29,372,801
d) Other operating expenses	22	78,893,794	69,541,746
e) Administrative Expenses	23	35,643,023	17,843,735
f) Financial costs	24	4,657,152	5,139,660
g) Depreciation and amortization expense	10	33,539,576	30,464,382
h) Other expenses	25	2,809,032	2,364,884
<b>Total Expenses</b>		<b>286,954,241</b>	<b>185,433,421</b>
<b>5. Profit before exceptional and extraordinary items and tax ( 3- 4)</b>		<b>7,804,137</b>	<b>1,926,960</b>
<b>6. Profit before tax</b>		<b>7,804,137</b>	<b>1,926,960</b>
<b>7. Tax expense:</b>			
(a) Current tax		1,487,078	367,183
(b) Deferred tax Liability/(Asset)		(2,782,644)	(3,068,237)
<b>8. Profit(Loss) from the period from continuing operations (6-7)</b>		<b>9,099,703</b>	<b>4,628,014</b>
<b>9. Profit(Loss) for the period</b>		<b>9,099,703</b>	<b>4,628,014</b>
<b>10. Earning per equity share:</b>			
(1) Basic		0.97	0.49
(2) Diluted		0.97	0.49

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

Notes referred to above form an integral part of the standalone financial statements.

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

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

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

**Dr. A. Sakaranarayanan**  
Whole Time Director  
DIN : 02703392

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

Place : Hyderabad  
Date : 27.05.2016

**Challapally Varun Kumar**  
Company Secretary  
M.No. A31280

**Srinivasu Padala**  
Chief Financial Officer

**M/s. VIVO BIO TECH LTD**  
**Standalone Cash Flow Statement**

Particulars	Current Year ₹	Previous Year ₹
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before tax	78.04	19.27
<b>Adjustments for:</b>		
Depreciation	335.40	304.64
Interest expenses	46.57	51.40
Operating Profit before Working Capital Changes	<b>460.01</b>	<b>375.31</b>
<b>Working Capital Changes</b>		
Trade and other receivables	82	(301.06)
Trade payables	365.23	193.35
<b>Cash Generated from Operations</b>	<b>906.82</b>	<b>267.60</b>
Interest paid	46.57	51.40
Taxation for the year	(12.96)	3.67
<b>Net Cash from Operating Activities</b>	<b>873.21</b>	<b>212.53</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(710.99)	(203.29)
Investment	(1.00)	11.72
Net Cash used in Investing Activities	<b>(711.99)</b>	<b>(191.57)</b>
<b>C. Cash Flow From Financial Activities:</b>		
Net Proceeds from Long Term Borrowings	(32.03)	(88.63)
<b>Net Cash used in Financing Activities</b>	<b>(32.03)</b>	<b>(88.63)</b>
Net increase in cash and cash equivalents	129.19	(67.67)
Cash and Cash equivalents as at 01.04.2015	1,055.92	1,123.59
Cash and Cash equivalents as at 31.03.2016	<b>1,185.11</b>	<b>1,055.92</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  
**Vivo Bio Tech Limited**

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

**Dr. A. Sakaranarayanan**  
Whole Time Director  
DIN : 02703392

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

Place : Hyderabad  
Date : 27.05.2016

**Challapally Varun Kumar**  
Company Secretary  
M.No. A31280

**Srinivasu Padala**  
Chief Financial Officer



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## 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 1<sup>st</sup> 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.

## 5. Revenue Recognition:

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

## 6. Foreign Exchange Transactions:

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

- a) Monetary items denominated in foreign currencies at the year end and are restated at year end rates.
- b) Non-monetary foreign currency items are carried at cost.
- c) 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

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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 required by Companies Act 2013 and Accounting Standard - 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.

**Notes to the financial statements for the year ended 31 March 2016**

**NOTE : 1 : SHARE CAPITAL**

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
<b>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
Total Share Capital (Equity)	93,505,200	93,505,200
The company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- each.		
<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 on 31.03.2016 No. of Shares	As on 31.03.2015 No. of Shares
Northern Union Ltd	10,35,000	10,35,000
Max Cell Phone Communications India Pvt Ltd	8,00,000	8,00,000
Cryptologic Systems Pvt Ltd	13,45,000	13,45,000
Iron Age India Limited	6,00,000	6,00,000
Iragavarapu Constructions Pvt Ltd	6,00,000	6,00,000
P.K.I Solutions Pvt Ltd	6,00,000	6,00,000
Every Wear Import and Export Pvt Ltd	13,50,000	13,50,000
Elite Class Asset Holdings Ltd	13,00,000	13,00,000

**NOTE NO. 2 : RESERVES AND SURPLUS**

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve</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	(47,902,935)	(54,345,541)
Add: Additions during the year (Transfer from Profit & Loss a/c)	9,099,703	4,628,014
Excess Depreciation transferred	-	1,814,592
	<b>(38,803,232)</b>	<b>(47,902,935)</b>
Total Reserves and Surplus	7,325,870	(1,773,833)

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Long Term borrowings		
a) <b>Term Loans:</b> <b>From banks:</b> Secured (Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment ,Air conditioners and Personal guarantee of the Director of the Company)	5,449,315	4,166,425
b) <b>other loans and advances</b> Biotech Consortium India Ltd. A/c SBIRI	17,944,000	22,430,000
<b>Total long term borrowings</b>	<b>23,393,315</b>	<b>26,596,425</b>

**NOTE NO. 4 : DEFERRED TAX LIABILITY ( NET )**

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Opening Deferred tax Liability	11,188,502	14,256,739
Add: Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	(2,155,307)	(2,573,515)
Deferred Tax Liability for the year ( Due to Others )	(627,336)	(494,722)
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>8,405,859</b>	<b>11,188,502</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Provisions for employee benefits - Provision for Gratuity	2,030,215	1,601,041
<b>Total Long Term Provisions</b>	<b>2,030,215</b>	<b>1,601,041</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
<b>Short term borrowings</b>		
Loans repayable on demand:		
From banks		
Secured (Hypothecation of Stock and Book Debts, Personal Guarantee of Promoters of the company & Equitable Mortgage of Lands)	28,050,004	30,323,862
<b>Total short term borrowings</b>	<b>28,050,004</b>	<b>30,323,862</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Trade Payables	87,463,132	68,535,030
<b>Total Trade Payables</b>	<b>87,463,132</b>	<b>68,535,030</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Other Payables (Creditors for Expenses & Equipment)	194,880,981	175,203,564
<b>Total Other current liabilities</b>	<b>194,880,981</b>	<b>175,203,564</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
<b>a) Provisions for employee benefits</b>		
PF Payable	373,129	277,770
Salaries Payable	3,435,841	2,656,738
Director Remuneration Payable	24,167	24,367
Food Allowance	-	4,000
<b>b) Others</b>		
<b>Provision for Expenses</b>		
TDS	751,555	563,926
ESI	73,982	68,758
Swachh Bharath Cess payable	53,594	-
Income tax	1,487,078	367,183
Rent	3,739,842	3,739,842
Electricity Charges	1,632,015	1,322,605
Audit Fee	78,375	84,270
Professional Tax	11,000	5,900
<b>Total Short Term Provisions</b>	<b>11,660,578</b>	<b>9,115,358</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
<b>1) Investment in Subsidiaries</b>		
a) Equity Shares		
100% Holding in Vivo Bio Discovery Services Pvt Ltd	100,000	100,000
100% Holding in Vivo Biolabs	100,000	100,000
100% Holding in Surlogic Life Consultancy Pvt Ltd	100,000	
	<b>300,000</b>	<b>200,000</b>

**NOTE NO. 12 : OTHER CURRENT INVESTMENTS**

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	99,231	28,159
<b>Total Other Non Current Assets</b>	<b>360,337</b>	<b>289,265</b>

**NOTE NO. 13 : INVENTORIES**

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
a) Short and spares	40,814,026	46,870,254
<b>Total Inventories</b>	<b>40,814,026</b>	<b>46,870,254</b>

**NOTE NO. 14 : TRADE RECEIVABLES**

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
Un Secured, Considered Good	38,190,757	43,080,514
<b>Total Trade Receivables</b>	<b>38,190,757</b>	<b>43,080,514</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks :		
1) On Current Accounts	7,141,623	16,961,067
2) Bank deposits with less than 12 months maturity	-	(212,390)
b) Cash on hand	58,783	50,580
Sub Total	7,200,406	16,799,258
<b>Other Bank Balances</b>		
On Deposit Accounts Deposits	111,310,686	88,792,919
<b>Sub Total</b>	<b>111,310,686</b>	<b>88,792,919</b>
<b>Total Cash and Cash Equivalents</b>	<b>118,511,093</b>	<b>105,592,177</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Loans and advances to related parties		
Unsecured		
Vivo Bio Labs Pvt Ltd	1,271,900	-
Surlogic Life Consultancy Pvt Ltd Advances	606,250	-
b) Other loans And advances		
Secured	3,830,018	3,549,443
Unsecured	2,912,365	9,964,512
<b>Total short term loans &amp; advances</b>	<b>8,620,533</b>	<b>13,513,955</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
TDS, Service Tax and Prepaid Insurance	15,995,547	8,385,282
<b>Total Other Current Assets</b>	<b>15,995,547</b>	<b>8,385,282</b>

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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Revenue from operations		
(a) Revenue from Operations	285,832,984	177,884,920
<b>Total Revenue from Operations</b>	<b>285,832,984</b>	<b>177,884,920</b>

**NOTE NO. 19 : OTHER INCOME**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest income	8,282,417	8,812,039
(b) Other non-operating income	642,978	663,422
<b>Total Other Income</b>	<b>8,925,395</b>	<b>9,475,461</b>

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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Finished goods at the beginning of the year	46,870,254	3,070,509
Less : Finished goods at the end of the year	40,814,026	46,870,254
<b>Total Change in Inventories &amp; WIP</b>	<b>6,056,228</b>	<b>(43,799,745)</b>



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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Salaries & Wages	38,827,735	26,414,659
(b) Contribution to Provident & Other Funds	3,316,692	2,375,255
(c) Staff Welfare Expenses	1,281,590	582,887
<b>Total Employee Benefit Expenses</b>	<b>43,426,017</b>	<b>29,372,801</b>

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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Power & Fuel	24,571,686	16,785,954
(b) Rent	51,886,946	50,751,894
(c) Repairs to Machinery	948,949	1,565,253
(d) Insurance	1,291,940	291,851
(e) Net loss on foreign currency transaction	119,273	62,524
(f) Payment to Auditors:		
(i) As Auditor	75,000	84,270
<b>Total Other Expenses</b>	<b>78,893,794</b>	<b>69,541,746</b>

**NOTE NO. 23 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Telephone, Postage and Others	309,789	756,432
(b) Business Promotion Expenses	801,158	478,387
(c) Transport & Conveyance	2,970,679	2,982,836
(d) Office Maintenance	23,575,531	3,381,845
(e) Printing & Stationery Expenses	523,914	444,875
(f) Rates & Taxes	1,588,484	521,135
(g) Managerial Remuneration	336,204	1,763,704
(h) Consultancy Charges	5,279,404	6,752,941
(i) Seminar Fee	257,860	51,500
(j) Royalty	-	710,080
<b>Total Administrative Expenses</b>	<b>35,643,023</b>	<b>17,843,735</b>

**NOTE NO. 24 : FINANCE COST**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest Expenses : - Interest on Working Capital & Bank Charges	4,657,152	5,139,660
<b>Total Finance Cost</b>	<b>4,657,152</b>	<b>5,139,660</b>

**NOTE NO. 25 : OTHER EXPENSES**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) AMC Charges	2,809,032	2,364,884
<b>Total Other expenses</b>	<b>2,809,032</b>	<b>2,364,884</b>

**NOTE: 26**

	Current year (Rs)	Previous Year (Rs)
Directors Remuneration	3, 36,204/-	17, 63,704/-

**NOTE: 27 AUDITOR'S REMUNERATION:**

	Current year (Rs)	Previous Year (Rs)
Audit Fee	75,000/-	84,270/-

**NOTE: 28 FOREIGN EXCHANGE INFLOW & OUTFLOW**

	Current year (Rs)	Previous Year (Rs)
a) Inflow -	95,91,045	1,13,74,445/-
b) Outflow for Capital Expenditure	90,99,703	54,80,000/-

**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	Vivo bio Discovery services Pvt Ltd	1,00,000
3	Surlogic Life Consultancy 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	2015-16	2014-15
Profit available for the equity share holders	91,00,857	46,28,014
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	0.97	0.49
Diluted	0.97	0.49

**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 eventide (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**

**Deferred Tax Asset/ Liability:**

Particulars	As at 31.3.2016	As at 31.3.2015
a) Opening Balance	1,11,88,502	1,42,56,739
ADD: Deferred tax liability	(27,83,798)	(30,68,237)
<b>Total</b>	<b>84,04,704</b>	<b>1,11,88,502</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 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
- 3) Surlogic Life Consultancy 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	3,21,204
Dr Sankar Narayanan	remuneration	-	1442500
Virinchi Ltd	Lease Rental paid	30,00,000	30,00,000

### NOTE: 39

Previous year's figures have been regrouped wherever necessary.

### NOTE: 40

The figures have been rounded off to the nearest rupee.

**Note Number : 10  
FIXED ASSETS AND DEPRECIATION**

Sl.	Particulars	Gross Block			Rate of Depreciation	Depreciation / Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	As on 31.03.2016		As on 01.04.2015	During the Period	As on 31.03.2016		
I.	<b>TANGIBLE ASSETS</b>									
	Land	25,053,298	-	25,053,298	0.00%	-	-	25,053,298	25,053,298	25,053,298
	Plant & Machinery	4,062,640	2,830,965	6,893,605	4.75%	1,035,761	479,493	1,515,254	5,378,351	3,026,880
	Electrical Equipment	4,596,517	-	4,596,517	4.75%	1,920,756	719,661	2,640,417	1,956,101	2,675,761
	Laboratory Equipment	145,512,892	40,997,751	186,510,643	4.75%	42,997,565	20,345,076	63,342,641	123,168,003	102,515,328
	Office Equipment	3,730,974	49,822	3,780,796	4.75%	1,803,436	1,366,239	3,169,675	611,121	1,927,538
	Computers	1,569,433	374,540	1,943,973	16.21%	1,511,388	53,418	1,564,806	379,167	58,045
	Furniture	5,157,416	129,402	5,286,818	6.33%	1,864,618	582,947	2,447,565	2,839,253	3,292,798
	Vehicles	12,861,549	3,749,769	16,611,318	9.50%	4,768,743	1,804,154	6,572,897	10,038,421	8,092,806
	<b>Sub Total (a)</b>	<b>202,544,719</b>	<b>48,132,249</b>	<b>250,676,968</b>		<b>55,902,266</b>	<b>25,350,988</b>	<b>81,253,254</b>	<b>169,423,714</b>	<b>146,642,453</b>
II.	Intangible Assets									
	Technical Know How	70,252,977	23,253,267	93,506,244	10.00%	22,850,309	7,346,687	30,196,997	63,309,247	47,402,667
	Computer Software	5,357,461	-	5,357,461	16.21%	3,745,143	841,901	4,587,044	770,417	1,612,318
	<b>Sub Total (b)</b>	<b>75,610,437</b>	<b>23,253,267</b>	<b>98,863,704</b>		<b>26,595,452</b>	<b>8,188,588</b>	<b>34,784,040</b>	<b>64,079,664</b>	<b>49,014,986</b>
	<b>Grand Total (a+b+c)</b>	<b>278,155,157</b>	<b>71,385,516</b>	<b>349,540,673</b>		<b>82,497,718</b>	<b>33,539,576</b>	<b>116,037,294</b>	<b>233,503,378</b>	<b>195,657,438</b>
	Previous Year	258,498,882	19,656,274	278,155,156		53,847,928	30,464,382	82,497,718	195,657,438	204,650,954

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## 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 Holding Company"), and its subsidiaries," (collectively referred to as the "company or "the Group") comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ("the consolidated financial statements"))

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

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

### Auditor's Responsibility

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the Company, as at 31<sup>st</sup> March 2016, and their consolidated Loss and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we 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 relating to the preparation of aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
  - c) the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors of the holding company as on March 31<sup>st</sup> 2016 , and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in ' Annexure A'; and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31<sup>st</sup> march, 2016 on the consolidated financial positions of the group, its associated and jointly controlled entities.
    - ii. The group company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no amounts that are required to be transferred, to the Investor Education and Protection Fund by the holding and subsidiary company during the year ended 31<sup>st</sup> March 2016

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

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

Place: Hyderabad  
Date: 27<sup>th</sup> May, 2016

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## **Annexure A to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 (‘The Act’)**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31<sup>st</sup> March 2016, We have audited the internal financial controls over financial reporting of **Vivo Bio Tech Limited** (‘the holding company’) and its subsidiary which are incorporated in India as of 31<sup>st</sup> march 2016

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting ( the “Guidance Note”) and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s Judgment, including the assessment of the risk of martial misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company’s internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly



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reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the holding company and its subsidiary company, which are companies incorporated in India, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2016, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

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

Place: Hyderabad  
Date: 27<sup>th</sup> May, 2016

**M/s. VIVO BIO TECH LTD**  
**CONSOLIDATED BALANCE SHEET**

PARTICULARS	Note No.	As At 31/03/2016 ₹	As At 31/03/2015 ₹
<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	71,11,286	(17,67,953)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	23,393,315	26,596,425
(b) Deferred tax liabilities (Net)	4	84,05,859	11,188,502
(c) Long term provisions	5	2,030,215	1,601,041
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	28,050,004	30,323,862
(b) Trade payables	7	87,463,132	68,535,030
(c) Other Current Liabilities	8	194,933,031	137,187,753
(d) Short-term provisions	9	11,677,539	47,086,428
<b>Total</b>		<b>456,569,581</b>	<b>414,256,288</b>
<b>B. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	171,363,914	147,924,354
(ii) Intangible assets		64,079,664	49,014,985
(iii) Capital work-in-progress		419,482	706,264
(b) Long term loans and advances	11	360,337	289,265
<b>(2) Current assets</b>			
(a) Short Term Advances	12	40,814,026	46,870,254
(b) Trade receivables	13	38,190,757	43,080,514
(c) Cash and cash equivalents	14	118,603,471	105,643,290
(d) Short-Term Loans and Advances	15	6,742,383	12,342,080
(e) Other current assets	16	15,995,547	8,385,282
<b>Total</b>		<b>456,569,581</b>	<b>414,256,289</b>

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

Notes referred to above form an integral part of the consolidated financial statements.

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 : 27.05.2016

For and on behalf of the Board

**Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Whole Time Director

DIN : 02703392

**Challapally Varun Kumar**

Company Secretary

M.No. A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

**M/s. VIVO BIO TECH LTD**  
**Consolidated Statement of Profit and Loss**

PARTICULARS	Note No.	Year Ended 31/03/2016 ₹	Year Ended 31/03/2015 ₹
1. Revenue from operations	17	285,832,984	177,884,920
2. Other Income	18	8,925,395	9,475,461
<b>3. Total Revenue (1 +2)</b>		<b>294,758,378</b>	<b>187,360,381</b>
<b>4. Expenses:</b>			
a) Purchases		81,929,418	74,505,958
b) Changes in Inventories	19	6,056,228	(43,799,745)
c) Employee Benefit Expenses	20	43,426,017	29,372,801
d) Other operating expenses	21	78,910,755	69,541,746
e) Administrative Expenses	22	35,643,023	17,843,735
f) Financial costs	23	4,657,152	5,139,660
g) Depreciation and amortization expense	10	33,539,576	30,464,382
h) Other expenses	24	2,809,032	2,364,884
<b>Total Expenses</b>		<b>286,971,202</b>	<b>185,433,421</b>
<b>5. Profit before tax (3-4)</b>		<b>7,787,176</b>	<b>1,926,960</b>
<b>6. Tax expense:</b>			
(a) Current tax		1,487,078	367,183
(b) Deferred tax Liability/(Asset)		(2,782,644)	(3,068,237)
<b>7. Profit/(Loss) for the period</b>		<b>9,082,742</b>	<b>4,628,014</b>
<b>8. Earning per equity share:</b>			
(1) Basic		0.97	0.49
(2) Diluted		0.97	0.49

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

Notes referred to above form an integral part of the consolidated financial statements.

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 : 27.05.2016

For and on behalf of the Board

**Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Whole Time Director

DIN : 02703392

**Challapally Varun Kumar**

Company Secretary

M.No. A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

**M/s. VIVO BIO TECH LTD**  
**Consolidated Cash Flow Statement**

Particulars	Current Year ₹	Previous Year ₹
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/ (Loss) before taxation and extraordinary items	77.87	19.27
<b>Adjustments for:</b>		
Depreciation	335.40	304.64
Interest expenses	46.57	51.40
<b>Operating Profit before Working Capital Changes</b>	<b>459.84</b>	<b>375.31</b>
<b>Working Capital Changes</b>		
Trade and other receivables	89	(289.02)
Trade payables	366.37	192.79
<b>Cash Generated from Operations</b>	<b>914.85</b>	<b>279.08</b>
Interest paid	46.57	51.40
Taxation for the year	(12.96)	3.11
<b>Net Cash from Operating Activities</b>	<b>881.24</b>	<b>224.57</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(719.61)	(203.74)
Net Cash used in Investing Activities	<b>(719.61)</b>	<b>(203.74)</b>
<b>C. Cash Flow From Financial Activities:</b>		
Net Proceeds from Long Term Borrowings	(32.03)	(88.63)
<b>Net Cash used in Financing Activities</b>	<b>(32.03)</b>	<b>(88.63)</b>
Net increase in cash and cash equivalents	129.60	(67.80)
Cash and Cash equivalents as at 01.04.2015	1,056.43	1,124.23
Cash and Cash equivalents as at 31.03.2016	<b>1,186.03</b>	<b>1,056.43</b>

Notes referred to above form an integral part of the consolidated financial statements.

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

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

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

**Dr. A. Sakaranarayanan**  
Whole Time Director  
DIN : 02703392

**M. Kalyan Ram**  
Whole Time Director  
DIN : 02012580

Place : Hyderabad  
Date : 27.05.2016

**Challapally Varun Kumar**  
Company Secretary  
M.No. A31280

**Srinivasu Padala**  
Chief Financial Officer

## 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.

- 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.

### 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	Vivobio Labs Pvt Ltd	100%
2	Vivo bio Discovery services Pvt Ltd	100%
3	Surlogic Life Consultancy Pvt Ltd	100%

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- **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 (withan 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 before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

### **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.

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.

### **6. Depreciation and Amortization:**

- I. Effective 1<sup>st</sup> 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.

## **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 statements are good.

## **9. Foreign Exchange Transactions:**

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

- a) Monetary items denominated in foreign currencies at the year end and are restated at year end rates.
- b) Non-monetary foreign currency items are carried at cost.
- c) 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.

## **10. 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.

## **11. Related Party Disclosures :**

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

## **12. 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.

**Notes to the financial statements for the year ended 31 March 2016**

**NOTE : 1 : SHARE CAPITAL**

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
<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 on 31.03.2016 No. of Shares	As on 31.03.2015 No. of Shares
Northern Union Ltd	10,35,000	10,35,000
Max Cell Phone Communications India Pvt Ltd	8,00,000	8,00,000
Cryptologic Systems Pvt Ltd	13,45,000	13,45,000
Iron Age India Limited	6,00,000	6,00,000
Iragavarapu Constructions Pvt Ltd	6,00,000	6,00,000
P.K.I Solutions Pvt Ltd	6,00,000	6,00,000
Every Wear Import and Export Pvt Ltd	13,50,000	13,50,000
Elite Class Asset Holdings Ltd	13,00,000	13,00,000



**NOTE NO. 2 : RESERVES AND SURPLUS**

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
<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	(47,902,935)	(54,345,541)
Add: Additions during the year		
(Transfer from Profit & Loss a/c)	9,082,742	4,683,992
Excess Depreciation transferred	-	1,814,592
	<b>(38,820,194)</b>	<b>(47,846,957)</b>
Capital Reserve/Goodwill	<b>(197,622)</b>	<b>(50,099)</b>
<b>Total Reserves and Surplus</b>	<b>7,111,286</b>	<b>(17,67,954)</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Long Term borrowings		
<b>a) Term Loans:</b>		
<b>From banks:</b>		
Secured	5,449,315	4,166,425
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Promoter of the Company)		
<b>b) Other Loans and Advances</b>		
Un-Secured	17,944,000	22,430,000
<b>Total long term borrowings</b>	<b>23,393,315</b>	<b>26,596,425</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
Opening Deferred tax Liability	11,188,502	14,256,739
Add:	-	
Deferred Tax Asset for the year ( Due to SLM and WDV Difference )	(2,155,307)	(2,573,515)
Deferred Tax Liability for the year ( Due to Others )	(627,336)	(494,722)
<b>Gross Deferred tax Liability</b>	<b>8,405,859</b>	<b>11,188,502</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
a) Provisions for employee benefits - Provision for Gratuity	2,030,215	1,601,041
<b>Total Long Term Provisions</b>	<b>2,030,215</b>	<b>1,601,041</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
<b>Short term borrowings</b>		
a) <b>Loans repayable on demand:</b>		
<b>From banks</b>		
Secured	28,050,004	30,323,862
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Director of the Company)		
<b>Total short term borrowings</b>	<b>28,050,004</b>	<b>30,323,862</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
a) Trade Payables	874,631,132	68,535,030
<b>Total Trade Payables</b>	<b>874,631,132</b>	<b>68,535,030</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
a) Other Payables (Creditors for Expenses & Equipments)	194,933,031	178,943,406
<b>Total Other Current Liabilities</b>	<b>194,933,031</b>	<b>178,943,406</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
<b>a) Provisions for employee benefits</b>		
PF Payable	373,129	277,770
Salaries Payable	3,460,008	2,681,105
Food Allowances	-	4,000
<b>b) Others</b>		
<b>Statutory Liabilities</b>		
TDS	751,555	563,926
ESI	73,982	68,758
Swachh Bharath Cess Payable	53,594	-
<b>Provision for Expenses</b>		
Income Tax	1,487,078	311,205
Electricity Charges	1,632,015	1,322,605
Audit Fee	95,336	95,506
Profession Tax	11,000	5,900
Rent	3,739,842	1,32,44,700
Others	-	28,510,953
<b>Total Short Term Provisions</b>	<b>11,677,539</b>	<b>47,086,428</b>

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

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	99,231	28,159
<b>Total Other Non Current Assets</b>	<b>360,337</b>	<b>289,265</b>

**NOTE NO. 12 : INVENTORIES**

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Stores and spares	40,814,026	46,870,254
<b>Total Inventories</b>	<b>40,814,026</b>	<b>46,870,254</b>

**NOTE NO. 13 : TRADE RECEIVABLES**

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Other Receivables Unsecured, Considered Good	38,190,757	43,080,514
<b>Total Trade Receivables</b>	<b>38,190,757</b>	<b>43,080,514</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks :		
1) On Current Accounts	7,141,623	16,961,067
2) Bank deposits with less than 12 months maturity	-	0
b) Cash on hand	151,162	101,694
<b>Sub Total</b>	<b>7,292,785</b>	<b>17,062,761</b>
<b>Other Bank Balances</b>		
On Deposit Accounts	-	
a) Having Maturity more than 12 Months from date of deposit	111,310,686	88,580,529
<b>Sub Total</b>	<b>111,310,686</b>	<b>88,580,529</b>
<b>Total Cash and Cash Equivalents</b>	<b>118,603,471</b>	<b>105,643,290</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
a) Other loans And advances		
Secured Deposits	3,830,018	3,549,443
Unsecured	2,912,365	8,792,637
<b>Total short term loans &amp; advances</b>	<b>6,742,383</b>	<b>12,342,080</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
TDS, Service Tax and Prepaid Insurance	15,995,547	8,385,282
<b>Total Other Current Assets</b>	<b>15,995,547</b>	<b>8,385,282</b>

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

Particulars	Asat 31/3/2016 ₹	As at 31/3/2015 ₹
Revenue from Operations	285,832,984	177,884,920
<b>Total Other Revenue from Operations</b>	<b>285,832,984</b>	<b>177,884,920</b>

**NOTE NO. 18 : OTHER INCOME**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest income	8,282,417	8,812,039
(b) Other Income	642,978	663,422
<b>Total Other Income</b>	<b>8,925,395</b>	<b>9,475,461</b>

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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Finished goods at the beginning of the year	46,870,254	3,070,509
Less : Finished goods at the end of the year	40,814,026	46,870,254
<b>Total Change in Investoreis &amp; WIP</b>	<b>6,056,228</b>	<b>(43,799,745)</b>

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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Salaries & Wages	38,827,735	26,414,659
(b) Contribution to Provident & Other Funds	3,316,692	2,375,255
(c) Staff Welfare Expenses	1,281,590	582,887
<b>Total Employee Benefit Expenses</b>	<b>43,426,017</b>	<b>29,372,801</b>

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

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Power & Fuel	24,571,686	16,785,954
(b) Rent	51,886,946	50,751,894
(c) Repairs to Machinery	948,949	1,565,253
(d) Insurance	1,291,940	291,851
(e) Net loss on foreign currency transaction	119,273	62,524
(f) Payment to Auditors:	-	-
(i) As Auditor	91,961	84,270
<b>Total Other Expenses</b>	<b>78,910,755</b>	<b>69,541,746</b>

**NOTE NO. 22 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Telephone, Postage and Others	309,789	756,432
(b) Business Promotion Expenses	801,158	478,387
(c) Transport & Conveyance	2,970,679	2,982,836
(d) Office Maintenance	23,575,531	3,381,845
(e) Printing & Stationery Expenses	523,914	444,875
(f) Rates & Taxes	1,588,484	521,135
(g) Managerial Remuneration	336,204	1,763,704
(h) Consultancy Charges	5,279,404	6,752,941
(i) Seminar Fee	257,860	51,500
(j) Royalty	-	710,080
<b>Total Administrative Expenses</b>	<b>35,643,023</b>	<b>17,843,735</b>

**NOTE NO. 23 : FINANCE COST**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Interest Expenses :		
- Interest on Working Capital & Bank Charges	4,657,152	5,139,660
<b>Total Finance Cost</b>	<b>4,657,152</b>	<b>5,139,660</b>

**NOTE NO. 24 : OTHER EXPENSES**

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) AMC Charges	2,809,032	2,364,884
<b>Total Other expenses</b>	<b>2,809,032</b>	<b>2,364,884</b>

**Note: 25**

	Current year (Rs)	Previous Year (Rs)
Directors Remuneration	3,36,204/-	17,63,704/-

**Note: 26**

Auditor's Remuneration:	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee	91,961/-	84,270/-

**Note: 27**

Foreign Exchange Inflow & Outflow	Current Year (Rs.in lakhs)	Previous year (Rs.in lakhs)
a) Inflow -	483.39	113.74
b) Outflow for Capital Expenditure	95.91	54.80

**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	Vivo bio Discovery services Pvt Ltd	1,00,000
3	Surlogic Life Consultancy 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	2015-16	2014-15
Profit available for the equity share holders	90,82,742	46,28,014
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	0.97	0.49
Diluted	0.97	0.49

### 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 eventide (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 Limited (formerly Known as 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 2016-17 to Bombay Stock Exchange.

**NOTE 36****Deferred Tax Asset/ Liability:**

<b>Particulars</b>	<b>As at 31.3.2016</b>	<b>As at 31.3.2015</b>
a) Opening Balance	1,11,88,502	1,42,56,739
ADD: Deferred tax liability	(27,82,643)	(30,68,237)
<b>Total</b>	<b>84,05,859</b>	<b>1,11,88,502</b>

**NOTE 37****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
- 3) Surlogic Life Consultancy 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	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	3,21,204
Dr Sankar Narayanan	remuneration	NIL	1442500
Virinchi Ltd	Lease Rental paid	30,00,000	30,00,000

**Note: 38**

Previous year's figures have been regrouped wherever necessary.

**Note: 39**

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 : 27.05.2016

For and on behalf of the Board

**Vivo Bio Tech Limited**

**A. Sakaranarayanan**

Whole Time Director

DIN : 02703392

**Challapally Varun Kumar**

Company Secretary

M.No. A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

**Note Number : 10  
FIXED ASSETS AND DEPRECIATION**

Sl.	Particulars	Gross Block			Rate of Depreciation	Depreciation/Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	As on 31.03.2016		As on 01.04.2015	Depreciation During the Period	As on 31.03.2016		
I.	<b>Tangible Assets</b>									
	Land	26,993,498	-	26,993,498	0.00%	-	-	-	26,993,498	26,993,498
	Plant & Machinery	4,062,640	2,830,965	6,893,605	4.75%	1,035,761	479,493	1,515,254	5,378,351	3,026,880
	Electrical Equipment	4,596,517	-	4,596,517	4.75%	1,920,756	719,661	2,640,417	1,956,101	2,675,761
	Laboratory Equipment	145,512,892	40,997,751	186,510,643	4.75%	42,997,565	20,345,076	63,342,641	123,168,003	102,515,328
	Office Equipment	3,730,974	49,822	3,780,796	4.75%	1,803,436	1,366,239	3,169,675	611,121	1,927,538
	Computers	1,569,433	374,540	1,943,973	16.21%	1,511,388	53,418	1,564,806	379,167	58,045
	Furniture	5,157,416	129,402	5,286,818	6.33%	1,864,618	582,947	2,447,565	2,839,253	3,292,798
	Vehicles	12,861,549	3,749,769	16,611,318	9.50%	4,768,743	1,804,154	6,572,897	10,038,421	8,092,806
	<b>Sub Total (a)</b>	<b>204,484,919</b>	<b>48,132,249</b>	<b>252,617,168</b>	<b>1</b>	<b>55,902,266</b>	<b>25,350,988</b>	<b>81,253,254</b>	<b>171,363,914</b>	<b>147,924,354</b>
II.	<b>Intangible Assets</b>									
	Technical Know How	70,252,977	23,253,267	93,506,244	10.00%	22,850,309	7,346,687	30,196,997	63,309,247	47,402,667
	Computer Software	5,357,461	-	5,357,461	16.21%	3,745,143	841,901	4,587,044	770,417	1,612,318
	<b>Sub Total (b)</b>	<b>75,610,437</b>	<b>23,253,267</b>	<b>98,863,704</b>	<b>0</b>	<b>26,595,452</b>	<b>8,188,588</b>	<b>34,784,040</b>	<b>64,079,664</b>	<b>49,014,986</b>
	<b>Grand Total (a+b+c)</b>	<b>280,095,357</b>	<b>71,385,516</b>	<b>351,480,873</b>	<b>1</b>	<b>82,497,718</b>	<b>33,539,576</b>	<b>116,037,294</b>	<b>235,443,578</b>	<b>196,939,339</b>
	<b>Previous Year</b>	<b>258,498,882</b>	<b>19,656,274</b>	<b>278,155,156</b>	<b>-</b>	<b>30,464,382</b>	<b>82,497,718</b>	<b>195,657,438</b>	<b>204,650,954</b>	<b>205,932,854</b>

# M/s VIVO BIO TECH LIMITED

Regd. Office : 608, Lingapur Complex, Himayathnagar, Hyderabad - 500029, Telangana

CIN: L65993TG1987PLC007163

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]

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

Name of the member (s): Registered address:	Email Id: Folio No./ Client Id No.: DP Id No.:	
1. Name: Address: E-Mail Id: Signature: or failing him	2. Name: Address: E-Mail Id: Signature: or failing him	3. Name: Address: E-Mail Id: Signature:

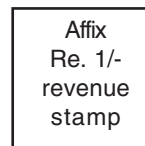
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on Friday the 30th day of September, 2016 at 1.00 P.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500026. resolutions as are indicated below.

S. No.	Resolutions	For	Against
1.	Consider and adopt audited financial statements as at 31.03.2016 and statement of profit and loss accounts for the year ended and the reports of the board of Directors and Auditors.		
2.	To appoint a Director in place of A. Sankaranarayanan (DIN : 0703392) Director who retires by rotation		
3.	Ratification of appointment of statutory auditor and fix their remuneration.		
4.	Re-appointment of Mr. M Kalyan Ram as Whole Time Director of the Company		
5.	Appointment of Mr. A Sankaranarayanan as Whole Time Director of the Company		

Signed this..... day of..... 2016.

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.

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# M/s VIVO BIO TECH LIMITED

Regd. Office : 608, Lingapur Complex, Himayathnagar, Hyderabad - 500029, Telangana  
CIN: L65993TG1987PLC007163

## ATTENDANCE SLIP

SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Regd Folio No:

No. of Shares held

SHAREHOLDER'S NAME: Mr /Mrs/Miss.....  
(In Block Capitals)

IN CASE OF PROXY

NAME OF THE PROXY : Mr/ Mrs/Miss.....

I Certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company to be held **on Friday, the 30<sup>th</sup> September, 2016 at 1.00 P.M. at the "Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500026.**

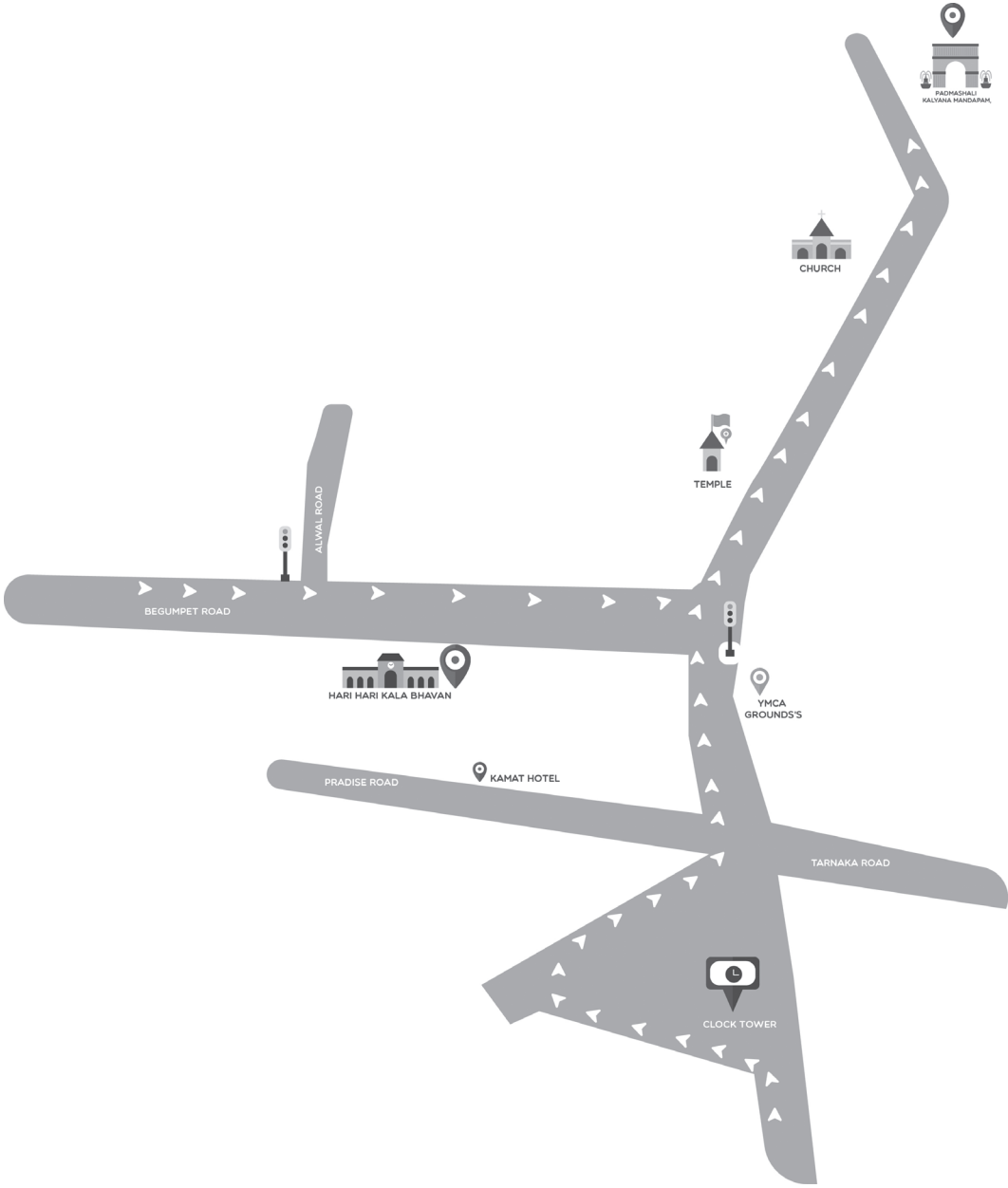
Member's / Proxy's Signature

- Notes: 1. Please bring this Attendance Slip when you are attending the Meeting.  
2. Please do not bring with you any person who is not a member of the Company

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# Route Map to the Venue of 29th AGM



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