



Vivo Bio Tech Ltd.
Your Drug Discovery Partner



31st
ANNUAL REPORT
2018

www.vivobio.com

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31st Annual General meeting on Friday, 28th Day of September, 2018 at 1.00 P.M. at 8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No.1, Banjara Hills, Hyderabad, Telangana-500034. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

Registered office:

8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No.1, Banjara Hills, Hyderabad, Telangana - 500034
Phone : 040-23313288

Auditors**M/s. PCN & Associates**

(formerly Chandra Babu Naidu & Co.,)
Plot No.12,Ground Floor
Software Layout Unit, Cyberabad
Hyderabad-500 081
Phone# 040-2311 9499

Main Bankers

Canara Bank
IF Branch,
Hyderguda, Hyderabad.

Registrar & Share Transfer Agents**M/s. Aarthi Consultants Private Ltd**

1-2-285, Domalguda,
Hyderabad - 500029.
Phone# 91-40-27634445, 27638111
Fax: 91-40-27632184

M Kalyan Ram

Whole Time Director

Alangudi Sankaranarayanan

Director

Kunasingam V Sittampalam

Non-Executive Director

Sunder Kanaparthi

Independent Director

Hariharan R

Independent Director

M Vijaya Lakshmi

Independent Director

Kalyan Kumar Korisapati

COO

Ch Varun Kumar

Company Secretary

K T V Kaladhar

Chief Financial Officer

BOARD MESSAGE

The global preclinical CRO market is anticipated to reach USD 6.6 billion by 2025, according to a new report by Grand View Research, Inc. The market is expected to witness lucrative growth during the forecast period owing to rise in R&D expenditure on early stage development as well as increase in number of drugs in preclinical phase. Hence, increase in outsourcing penetration is further expected to contribute to the growing demand of life science companies for outsourced preclinical services.

Rise in the number of complex drugs entering preclinical trial and growing pressure to curb R&D expenses are expected to contribute to the growing demand for quality CROs, thereby contributing to the market growth. As per Servier Research Institute, issues related to nonclinical toxicology testing results in a 50.0% failure rate in the early stage development phase. High failure rate in this phase is expected to contribute to the demand for early stage development CROs during the forecast period.

Toxicology testing held the largest share in the service segment and is expected to dominate over the forecast period. The attrition of drugs due to toxicity is fueling demand for outsourcing of preclinical studies to CROs, which offer end-to-end services, including toxicology testing.

FY 2018

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 (GLP Toxicology, Pharmacology and GLP Analytical), new partnerships in custom rodent models (Cyagen Biosciences, Inc.), genomic technologies (Cyagen Biosciences, Inc.), lab animal diets (Dietex International Ltd.), SPF Guinea Pigs and high acceptance of specific pathogen laboratory rodents (Taconic Biosciences) 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.

Alangudi Sankaranarayanan
Director

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of the Company will be held on Friday, 28th Day of September, 2018 at 1.00 P.M. at 8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills Hyderabad, Telangana-500034 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, 2018, together with 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, 2018, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. A Sankarnarayanan , who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

3. To ratify issue of 33,00,000 Convertible Warrants on Preferential Basis:

In Continuation(furtherance) to the resolution No.6 passed on in Annual General Meeting of the Company held on 28th September,2017 and to pass following resolution as Special Resolution:

“RESOLVED THAT in terms of Sections 42 and 62(1)(c)of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009 and listing agreement entered by company with BSE Limited, as may be applicable to the preferential issue of Equity shares/warrants and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to ratify issue, and allot in one or more tranches up to 33,00,000 (Forty Five Lakhs) convertible warrants to strategic Investors Vide the special Resolution Passed in the annual general meeting of the Company held on 28th September, 2017 and the warrants shall be convertible into equal number of Equity Shares with in a period not exceeding 18 months from the date of allotment of warrants, as mentioned in the explanatory statement, at

such issue price as determined by the board in accordance with the preferential issue guidelines given in chapter VII of SEBI (ICDR) Regulations 2009 and subsequent amendments thereto.”

RESOLVED FURTHER THAT 12,00,000 warrants to be issued to promoter and Promoter group stand cancelled.

RESOLVED FURTHER THAT the details of the beneficiary owners of the allottees are as follows

S.No	Name of the Allotees	Ultimate Beneficiary Owners
1.	Mallemkonda Realities Private Limited	1. Narender Reddy V
		2. Lahari Reddy V
2	Magadha Infracon Private Limited	1. Anuradha M
		2. Veera Venkata Rao M
3	More Agrisupplies & Services Private Limited	1. K Ravi Babu
		2. Shanker Goud E

RESOLVED FURTHER THAT the Company does apply for listing of the equity shares and does make an application to the Depositories for admission of the said new equity shares at the time of conversion of warrants into equity shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this resolution, issue and allotment of equity shares/convert-ible equity warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

4. To increase the Authorised Share Capital of the Company from Rs.15 Crores to Rs. 16 Crores.

To Consider and, if thought fit, to pass, with or without modification (s), the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT**, pursuant to the provisions of Section 61, 64 read with Section 13 and section 14 and other applicable provisions, if any of the Companies Act, 2013, the Existing Authorized Share Capital of the Company be increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crores Fifty lakhs Only) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 16,00,00,000/- (Rupees Sixteen Crores only) divided into 1,60,00,000 (One Crores Sixty Lakhs Only) Equity shares of 10/- each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies and other Statutory authorities and to do all other Acts, Deeds, things and matters as may be deemed expedient to give effect to the aforesaid resolution.”

5. Adoption of new Articles of Association of the Company.

To consider and, if thought fit, to pass the following resolution as a Special Resolution

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, and other rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded to the adoption of new set of Articles of Association in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) or any person(s) authorised by the Board to exercise the powers conferred on the Board, be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Alteration of Memorandum of Association of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 13 and 14 of the Companies Act, 2013, the Capital Clause of the Memorandum of Association of the company be and hereby amended with substitution of the following clause wherever required

MEMORANDUM OF ASSOCIATION

- V. The Authorized Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores only) divided into 1,60,00,000 (One Crore Sixty lakhs Only) Equity shares of 10/- each (Rupees Ten only) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privilege or conditions as may be determined by or In accordance with the articles of the company for the time being and to vary modify or abrogate such rights, privileges or conditions in such manner as be permitted by the Act or provided by the articles of the Company for the time being.

7. Investment(S), Loans, Guarantees And Security In Excess Of Limits Specified Under Section 186 Of Companies Act, 2013

To consider and approve, the following resolution with or without modification, as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification

thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs.500 crore (Rupees Five Hundred crore only), notwithstanding that such investment and acquisition together with the Company’s existing investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution.”

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

Place : Hyderabad
Date : 29th August, 2018

Ch. Varun Kumar
Company Secretary
M.No. A31280

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) Particulars of the Directors who are proposed to be appointed /re-appointed at this meeting as required SEBI(LODR) Regulations is provided in Corporate Governance Report. 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 22nd September, 2018 to 28th September,2018 (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. Aarathi Consultants Private Ltd, Unit: Vivo Bio Tech Limited, 1-2-285, Domalguda, Hyderabad-500 029 Email- info@aarthiconsultants.com
- f) The Certificate from the Auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the members passed at the general meetings will be available for inspection by the members at the AGM.
- g) 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. Aarathi Consultants Private Limited.
- h) 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.
- i) The Company has appointed Mr. V Chandra Sekhar Patnaik, Practicing Company Secretary as Scrutinizer for conducting e-voting process for the 31st Annual General Meeting of the Company in a fair and transparent manner
- j) The Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the aforesaid documents in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Meeting.

- k) A Route Map showing direction to reach the venue of 31st AGM is given in the Annual Report as per the requirement of the Secretarial Standard - 2 on General Meeting
- l) Members may also note that the Notice of the 31st AGM and the Annual report for the FY 2017-18 will be available on the company's website i.e., www.vivobio.com.

m) Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility to members to cast their vote on all the resolutions set forth in the Notice convening 31st Annual General Meeting (AGM) to be held on 28.09.2018. 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, 25th September, 2018 at 9.00 a.m. and ends on Thursday 27th September, 2018 at 5.00 p.m. During this period shareholders' of the company, holding shares either in Physical Form or Dematerialized form, as on the cutoff date 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

(a) Instructions for e-voting

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	<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"> ● 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. ● 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

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. 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 and on approval of the accounts they would be able to cast their vote.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 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.

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

Place : Hyderabad
Date : 29th August, 2018

Ch. Varun Kumar
Company Secretary
M.No. A31280

Statement provided pursuant to the provisions of Regulation 36 of SEBI (LODR) Regulations, 2015 read with Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India

1. Name	Dr. Alangudi Sankaranarayanan
Date of Birth	05/06/1943
Date of Appointment	26/11/2009
Qualifications:	Ph.D., M. Pharm
Expertise in Specific Functional Areas:	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.
Directorships held in other public companies (Excluding Foreign companies and Section 8 Companies)	NIL
Memberships/Chairmanships of Committees of other public Companies (Includes Only Audit Committee and Stakeholder's Relationship Committee)	NIL
Number of shares held in the company	NIL
Relationship between directors inter-se/KMP	There is no relationship with other directors/KMP on the board
Salary last drawn	14,42,500
No. of Meetings attended during the year	5
Date of first appointment as a Director	31 st July, 2009

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item #3:

The members have approved allotment of 45,00,000 Convertible warrants to Promoter and Strategic Investors in the Annual General Meeting of the Company held on 28th September, 2017 vide Resolution No.6 by way of passing special Resolution.

Due to non-compliance with disclosures under Regulation 73(e) of SEBI ICDR Regulations, 2009 in respect of ultimate beneficiary the 12,00,000 warrants to be issue to promoters stand cancelled and in respect of the warrants issued to Strategic investors is valid subject to ratification in the next EGM or AGM to be held after issue of warrants to strategic investors.

For compliance with disclosures under Regulation 73(e) of SEBI ICDR Regulations, 2009 in respect of ultimate beneficiary, for resolution stated in Item#3 the consent of the shareholders is sought for ratification of the special resolution passed at the Annual General Meeting of the Company held on 28th September, 2017 vide Resolution No.6

The ultimate beneficiary details are provided in the resolution stated in the Item#3

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

None of the other directors, key managerial personnel or their relatives are concerned or interested, financially or otherwise, in the above said resolution.

Item 4&6:

Presently, the Authorised Share Capital of your Company is Rs.15, 00, 00,000 (Rupees Fifteen Five Crores only) comprising of 1, 50, 00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each. The Company has plans for further expansions/investment in its businesses and exploring other Options of restructuring of the company, which will require issuing fresh shares to the employees of the company, which requires to increase the Authorised Share Capital of the Company. As such, the Authorized Capital of the Company is proposed to be increased to Rs. 16 Crores divided into 1,60,00,000 (One Crore Sixty lakhs Crores) Equity Shares of Rs. 10/-each. For increase in Authorised Share Capital, approval of shareholders is required. The Ordinary Resolution at Item No. 4 and Special Resolution at item No. 6 seek to make corresponding alteration in Memorandum of Association of the Company respectively with regard to the increase in the Authorised Capital.

The Board recommends passing of these resolutions in the interest of the Company.

None of the Director is in any way interested in these resolutions.

Item 5:

The Articles of Association of the Company as currently in force were adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were carried out from time to time, over the past several years. The references to specific sections of the Companies Act, 1956 in the existing Articles may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act, 2013 which deal with the general functioning of the companies stand notified, it is proposed to amend / replace the existing Articles of Association with new Articles aligned with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a company, limited by shares. While some of the Articles of existing Articles of Association of the Company require alteration or deletions,

certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety. The proposed draft of new Articles of Association is available on the Company's website at www.vivobio.com for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No.5 of the Notice. The Board recommends the Special Resolution set out at item No.5 of the Notice for approval by the Members.

Item# 7

The Company had, from time to time, made investments in securities of bodies corporate, giving loans, guarantees or providing securities to any body corporate or other person.

In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting.

The Board recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

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

Place : Hyderabad
Date : 29th August, 2018

Ch. Varun Kumar
Company Secretary
M.No. A31280

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'Vivo'), along with the audited financial statements, for the financial year ended March 31, 2018. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required

Financial Highlights:

(Rs in Lakhs)

Particulars	2017-18	2016-17
Total Income	4713.47	3452.36
Profit before finance Cost, Depreciation, & Amortization, Taxation	1101.47	802.55
Less: Finance Cost	236.75	128.88
Depreciation and Amortization Expenses	463.94	390.13
Profit Before Tax	400.78	283.54
Less: Tax Expenses	(88.48)	(33.15)
Profit After Tax	312.30	250.39

State of Affairs/Company's Performance.

Revenues: The total income of the Company for the FY 2017-18 comprises operating revenues of Rs. 4700.12 lakhs as against Rs. 3412.80 Lakhs in FY 2016- 17

Profits: Profit before Tax (PBT) stood at Rs.400.78 Lakhs as against Rs 283.54 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs.312.30 Lakhs as against Rs. 250.39 Lakhs for the previous year.

RESERVES AND SURPLUS

During the year the Company has transferred an amount of Rs.313.43 Lakhs to Reserves and Surplus.

DIVIDEND

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

Material changes and commitments:

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

Directors

Appointments:

There are no new appointments of Directors during the period under review

Cessations:

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

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Ltd. (BSE) During the financial year under review 5,00,000 equity shares were issue on conversion of warrants issued on preferential basis.

The paid up Equity Share capital of the company as on 31st March, 2018 was Rs. 9,85,05,200.

The details of capital structure is detailed below.

Particulars	As at 31st March, 2018		As at March 31, 2017	
	Number of Shares	Rs.	Number of Shares	Rs
Equity Share capital				
(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	98,50,520	9,85,05,200	93,50,520	9,35,05,200
	98,50,520	9,85,05,200	93,50,520	9,35,05,200

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

Particulars	As at 31st March, 2018		As at March 31, 2017	
	Number of Shares	Rs.	Number of Shares	Rs
Equity Shares Shares outstanding at the beginning of the year	93,50,520	9,35,05,200	93,50,520	9,35,05,200
Add: issued and allotted during the year	5,00,000	50,00,000	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	98,50,520	9,85,05,200	93,50,520	9,35,05,200

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.

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

Name of the Shareholder	As on 31.03.2018		As on 31.03.2017	
	No. of Shares	%	No. of Shares	%
Iron Age India Limited	600000	6.09	600000	6.42
Vira Systems Private Limited	1345000	13.65	1345000	14.38
Maxcell Phones Communications India Private Limited	800000	8.12	800000	8.56
Iragavarapu Constructions Private Limited	600000	6.09	600000	6.42
PKI Solutions Private Limited	600000	6.09	600000	6.42
Every Wear Import and Export Pvt. Limited	916693	9.31	1325787	14.18
Elite Class Asset Holdings Ltd	1300000	13.20	1300000	13.90
Northern Union Limited	1035000	10.51	1035000	11.07

CODE OF CONDUCT:

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.

The Code is available on company's website under following link:

<http://www.vivobio.com/pdf/codeOfConduct.pdf>

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism 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, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. 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. Whistle Blower Policy is posted on company's website under following link: <http://www.vivobio.com/pdf/whistleBlowersPolicy.pdf>

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.

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.

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

Key Managerial Personnel

Mr. M. Kalyan Ram, Whole Time Director, Mr. K T V Kaladhar, Chief Financial officer and Mr. Ch. Varun Kumar, Company Secretary are the Key Managerial Personnel (KMP) of the company in terms of the provisions of the Act.

Familiarization 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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Accordingly, your Company arranged a technical session to familiarize the Independent Directors, the details of which are disclosed on the website of the company at [www.vivobio.com / vivobio - policies.php](http://www.vivobio.com/vivobio-policies.php).

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.

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 under following link:

http://www.vivobio.com/pdf/policy_for_determining_material_subsidiaries.pdf

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.

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 Chairperson.

One such meeting of Independent Directors was held during the year on 30th March, 2018 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 2017-18	
	Held	Attended
M. Vijaya Lakshmi	1	1
Hariharan R	1	1
Sunder Kanaparthi	1	1

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

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 analyzing 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.

ii. Internal Control System

Your company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Company has a well-defined delegation of power and defined limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances

Directors' Responsibility Statement;

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, Your Directors hereby confirmed that:

In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards had been followed and there are no material departures.

- 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.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- We have prepared the annual accounts for the financial year ended 31st March, 2018 on a going concern basis.

- The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- 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

The name of M/s. Chandra Babu Naidu & Co., Chartered Accountants was changed to PCN & Associates.

M/s PCN & Associates, Chartered Accountant's (ICAI firm Registration Number : 016016S) were appointed as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 28th Annual General Meeting (AGM) held on 28th September, 2017 until the conclusion of 33rd AGM of the Company to be held in the year 2022.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013 the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of M/s. PCN & Co. Chartered Accountants, at the forthcoming AGM. The Auditor's Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

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

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. 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.

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

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

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

Meetings of the Board and Committees

Eight Meetings of the Board of Directors were held during the year. For further details on the meetings and the attendance of directors/members, please refer report on Corporate Governance of this Annual 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 are 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 remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The information required under Section 197 (12) of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure - A**.

EXTRACT OF ANNUAL RETURN:

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

Annual return is available on company website under the following link :www.vivobio.com/financial_information.php#

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. V Chandra Sekhar Patnaik, Practising Company Secretary, to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure - C**.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The above information as required under the Companies Act, 2013, is annexed as **Annexure - D**.

Details about Employees Stock Option Scheme,

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed as **Annexure-E**

Related Party Transactions

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party

transactions with the Company's Promoters, Promoter Group, Directors, Senior Management Personnel or their relatives, which could have had a potential conflict with the interests of your Company. Please see the details of the same in form AOC-2 which is annexed as **Annexure-G**.

Further all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval for normal company transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal company transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

Your Directors have on the recommendations of the Audit Committee, adopted a policy to regulate transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

the related party transactions which are of repetitive nature as well as for the normal company transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

Your Directors have on the recommendations of the Audit Committee, adopted a policy to regulate transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Report on Corporate Governance

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

Management Discussion and Analysis Report

Management's Discussion and Analysis report for the year under review as stipulated under Regulation 34(2) (e) SEBI (LODR) Regulation, 2015 of the Listing Agreement with the stock exchanges is presented in a separate section forming part of the Annual report.

BOARD EVALUATION

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of independent directors and the Board as a whole.

The performance of the independent directors was evaluated by the entire Board except the person being evaluation in their meeting held on 14th February, 2018. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

A separate meeting of Independent Directors was held on 30th March, 2018, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

The performance evaluation of the Board and its constituents was conducted on the basis of functions, responsibilities, competencies, strategy, tone at the top, risk identification and its control, diversity, and nature of business. A structured questionnaire was circulated to the members of the Board

covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations and governance. The questionnaire was designed to judge knowledge of directors, their independence while taking business decisions; their participation in formulation of business plans; their constructive engagement with colleagues and understanding the risk profile of the company, etc. In addition to the above, the chairman of the Board and / or committee is evaluated on the basis of their leadership, coordination and steering skills.

Thereafter, the Nomination and Remuneration Committee used to review the performance of individual Directors on the basis of their contribution as a member of the board or committee.

The quantum of profit based commission, payable to directors is decided by the Nomination and Remuneration Committee on the basis of overall performance of individual directors.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

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. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue shares (including sweat equity shares) to employees of your Company under any scheme save and except ESOS referred to in this Report.
3. 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.
4. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. During the period under review, there were no frauds reported by the auditors under provisions of the Companies Act, 2013.
6. There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2018) and the date of the report 29th August, 2018.

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 : 29th August, 2018

M. Kalyan Ram
Chairman & Whole Time Director
DIN : 02012580

Annexure-A

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 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 2017-18 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2017-18	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	7.70	129.17%	2.26	Profit before Tax increased by 41.35% and Profit After Tax increased by 24.73% in financial Year 2017-18
2	K T V Kaladhar Chief Financial Officer	0.93 (Salary from Feb 2018)	NA	NA (0.28)	
3	Ch Varun Kumar Company Secretary	6.84	10.32%	2.01	

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.3.41 lakhs;
- iii) In the financial year, there was increase of 5.33% in the median remuneration of employees;
- iv) There were 183 employees on the rolls of Company as on March 31, 2018
- v) Relationship between average increase in remuneration and company performance: - The Profit before tax for the financial year ended March 31, 2018 increased by 41.35 % whereas the increase in median remuneration was 5.33 %
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The remuneration of Key Managerial Personnel was Rs. 15.47 lakhs whereas the Profit before tax was Rs.400.78 lakhs in 2017-18
- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2018 at BSE was Rs.5486.74 Lakhs (Rs. 9350.52 lakhs as on March 31, 2017)

-
- b) Price Earnings ratio of the Company at BSE was 17 as at March 31, 2018 and was 37 as at March 31, 2017;
 - viii) Average percentage increase made in the salaries of employees other than the managerial personnel was 43.68% whereas the increase in the managerial remuneration for the same financial year was 12.45%
 - ix) The key parameters for any variable component of remuneration availed by the directors:
Not applicable
 - 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 – 0.03:1.00; and
 - xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE - B

Annexure to Boards Report Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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	8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No. 1, Banjara Hills, Hyderabad - 500034, Ph : 040 – 23313288
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	9981112	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

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) A) Categorywise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	459500	0	459500	4.91	459500	0	459500	4.66	0
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.	1345000	2667000	4012000	42.91	4012000	0	4012000	40.73	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	1804500	2667000	4471500	47.82	4471500	0	4471500	45.39	0
(2) Foreign									
NRI Individuals	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
TOTAL(A)= A(1)+A(2)	1804500	2667000	4471500	47.82	4471500	0	4471500	45.39	0
B. Public Shareholding									
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
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
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1047138	537970	1585108	16.95	1144510	538970	1683480	17.09	-1.00
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	78891	261774	340665	3.64	423942	256817	680759	6.91	-3.45
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	465050	0	465050	4.97	500210	0	500210	5.08	-0.36
c) Others (specify)									
i) Non Resident Indians	150137	0	150137	1.60	169888	0	169888	1.72	-0.20
ii) Overseas Corporate	1035000	1300000	2335000	24.97	1035000	1300000	2335000	23.70	0
iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
iv) Clearing Members	3060	0	3060	0.03	9683	0	9683	0.10	-0.07
Sub-total (B)(2):-	2779272	2099744	4879020	52.18	3283233	2095787	5379020	54.61	-5.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	2779272	2099744	4879020	52.18	3283233	2095787	5379020	54.61	-5.08
C. Non Promoter - Non Public									
1. Shares held by Custodian for GDRs & ADRs -	0	0	0	0	0	0	0	0	0
2. Employee Benefit Trust under SEBI (SBEB) Reg. 2014	0	0	0	0	0	0	0	0	0
Total Non Promoter - Non Public	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4583776	4766744	9350520	100	7754733	2095787	9850520	54.61	0

B. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares shareholding encumbered to total shares	
1	KOMPELLA MADHAVI LATHA	250000	2.67	0	250000	2.54	0	0
2	K VISWANATH	150100	1.61	0	150100	1.52	0	0
3	TOOMULURU SITAMMA	59400	0.64	0	59400	0.60	0	0
4	VIRA SYSTEMS PRIVATE LIMITED	1345000	14.38	0	1345000	13.65	0	0
5	MAX CELL PHONE COMMUNICATIONS INDIA PVT. LTD.	800000	8.56	0	800000	8.12	0	.0
6	IRON AGE INDIA LIMITED	600000	6.42	0	600000	6.09	0	0
7	IRAGAVARAPU CONSTRUCTIONS PRIVATE LIMITED	600000	6.42	0	600000	6.09	0	0
8	P.K.I SOLUTIONS PVT LTD	600000	6.42	0	600000	6.09	0	0
9	SHRI SHRI RESORTS PRIVATE LIMITED	67000	0.72	0	67000	0.68	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	44,71,500	47.82	44,71,500	45.39
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NII	NII	NII	NII
	At the end of the year	44,71,500	47.82	44,71,500	45.39

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	ELITE CLASS ASSET HOLDINGS LTD	1300000	13.50		
	Purchase(s) during the year	NIL	0.00	1300000	13.20
	Sale(s) during the year	NIL	0.00	1300000	13.20
2	NORTHERN UNION LIMITED	1035000	11.07		
	Purchase(s) during the year	NIL	0.00	1035000	10.51
	Sale(s) during the year	NIL	0.00	1035000	10.51
3	EVERY WEAR IMPORT AND EXPORT PVT LTD	1325787	14.18		
	Purchase(s) during the year	NIL	0.00	1325787	13.46
	Sale(s) during the year	409094	0.15	916693	9.31
4	ANIL KUMAR PINAPALA	260000	2.78		
	Purchase(s) during the year	NIL	0.00	260000	2.64
	Sale(s) during the year	NIL	0.00	260000	2.64
5	AARTHI COMPTEC LIMITED	100050	1.07		
	Purchase(s) during the year	NIL	0.00	100050	1.02
	Sale(s) during the year	NIL	0.00	100050	1.02
6	AMN HOTELS PRIVATE LIMITED	100000	1.07		
	Purchase(s) during the year	NIL	0.00	100000	1.02
	Sale(s) during the year	NIL	0.00	100000	1.02
7	K S RAVINDRAN	60000	0.64		
	Purchase(s) during the year	NIL	0.00	60000	0.61
	Sale(s) during the year	NIL	0.00	60000	0.61
8	SIVA PARVATHI	60000	0.64		
	Purchase(s) during the year	NIL	0.00	60000	0.61
	Sale(s) during the year	NIL	0.00	60000	0.61
9	A P SRINIVAS	50000	0.53		
	Purchase(s) during the year	NIL	0.00	50000	0.51
	Sale(s) during the year	NIL	0.00	50000	0.51
10	M.N.ESTATES PRIVATE LIMITED	50000	0.53		
	Purchase(s) during the year	NIL	0.00	50000	0.51
	Sale(s) during the year	NIL	0.00	50000	0.51

(E) Shareholding of Directors and Key Managerial Personnel :

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	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
2.	K.T.V. Kaladhar - 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
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.	Hari Haran R Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding 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

5.	Sunder Kanaparthi Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding 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
6	K V Sittampallem Non-Executive Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding 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
7	M Vijaya Lakshmi Independent Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding 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

V) INDEBTEDNESS : Indebtedness of the Company including interest outstanding / accrued but not due for payment .
(Amount in Rs.)

	Secured Loans	Unsecured Loans excluding deposits	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	152882321	117667854	-	270550175
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	152882321	117667854	-	270550175
Change in Indebtedness during the financial				
* Addition	278580512	20095950	-	298676462
* Reduction	262923844	16325252	-	279249096
Net Change	15656668	3770698	-	19427366
Indebtedness at the end of the financial year				
i) Principal Amount	137225653	113897156	-	251122809
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	137225653	113897156	-	251122809

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	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	7.70	8.63
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	7.70	8.63
	Ceiling as per the Act	Rs. 44.87 lakhs (being 11% of Net Profit of the Company calculated as per Section 198 of the Companies Act).	

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

S. No	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
1	Independent Directors	Sunder Kanaparthu	Hari Haran R	M. Vijaya Lakshmi	
	Fee for attending board and committee meetings	40,000	40,000	40,000	1,20,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	40,000	40,000	40,000	1,20,000
2	Other Non-Executive Directors	Kunasingam V Sittampalam	A. Sankaranarayanan		
	Fee for attending board and committee meetings				
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	40,000	40,000	40,000	1,20,000
	Total Managerial Remuneration	40,000	40,000	40,000	1,20,000
	Overall Ceiling as per the Act	Rs. 44.87 Lakhs(being the 11 % of Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD

(Rs. in Lakhs)

SN.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Challapalli Varun Kumar Company Secretary	KTV Kaladhar CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.84	0.93	7.33
	(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)	6.84	0.93	7.33

VII. 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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure -C
SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31st March, 2018
Form No MR-3

(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 us 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 the 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 financial year ended on March 31, 2018 (the audit period) 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:

1. 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 and Overseas Direct Investment. There was no External Commercial Borrowing.
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - 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 of 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 (Share Based Employee Benefits) Regulations, 2014);

- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Issue of Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period).
 - g. 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;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- vi. Other laws applicable specifically to the Company namely:
- a. Payment Of Wages Act, 1936, and rules made thereunder
 - b. The Minimum Wages Act, 1948, and rules made thereunder
 - c. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975.
2. During the year the Company has conducted 8 Board Meetings, 4 Audit Committee Meetings, 1 Independent Director's Meeting, 2 Nomination and Remuneration Committee and 4 Stakeholders Relationship Committee Meeting. We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors and General Meeting.
3. I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
4. I further report that the Compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals
5. 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.
6. The Company has framed various policies and displayed the same on the company's website i.e., www.vivobio.com
- Policy on Preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Related Party Transaction Policy

- Familiarization programme for Independent Directors
- Nomination and remuneration Policy
- Policy on material subsidiaries

7. I further report that:-

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- c. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- d. 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.
- e. I further report that during the year under report, the Company has not undertaken any event/ action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For PATNAIK & ASSOCIATES

Place: Hyderabad
Date: 29th August, 2018

Company Secretaries
V Chandra Sekhar Patnaik
Practicing Company Secretary
COP No.: 16619

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

Annexure -C

To,
The Members,
Vivo Bio Tech Limited
8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate Road No.1,
Banjara Hills Hyderabad Hyderabad TG 500034 IN

My 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 my 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.

For PATNAIK & ASSOCIATES

Place: Hyderabad
Date: 29th August, 2018

Company Secretaries
V Chandra Sekhar Patnaik
Practicing Company Secretary
COP No.: 16619

Annexure-D

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

Conservation of Energy:

Company's operations require electrical energy for its use in air conditioning the premises, for power supply to computer systems and lighting which are not energy intensive. However, adequate measures have been taken to reduce energy consumption, wherever possible.

To decrease the carbon footprint, company transportation is extended to associates from different parts of the city; the occupation is 100% in all the buses on all the working days. Also, to conserve the natural resources, STP plan is installed and the waste water and solid material emitted out, after processing is being used for landscaping. The company has adopted laudable practices like reducing the carbon foot prints, maximizing the utilization of natural light and reducing the electric light fitments, reduction of size of work station partitions. use of recycled material for the work stations' wood boards, provision of task lights for every work station to minimize the power consumption, central control switch for entire work station and automated water control taps in the rest rooms. As part of energy conservation, LED lighting is being use for the new areas, which are undergoing interior renovation works.

Research and Development

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:

Most of your Company's earnings are from the export of Computer Software and Services. In order to promote product sales and services, your Company participated in various exhibitions and carried product promotion activities.

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

(Rs. in Lakhs)

Particulars	FY 2017-18	FY 2016-17
Foreign Exchange Inflow	49.79	166.05
Foreign Exchange Outflow	462.16	232.70

Technology Absorption, Adaptation and Innovation

Your company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

Annexure-E

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI forms part of the notes to the financial statements provided in this Annual Report

Sl.No	Description	Year ended 31 st March, 2018						
1	Date of Shareholder's Approval	10th February, 2017						
2	Total number of options approved under ESOS	30,00,000						
3	Vesting requirements	Commences at the expiry of one year from the date of grant						
4	Exercise price or pricing formula	Price as decided by the nomination and remuneration committee on the date of exercise						
5	Maximum term of options granted	5 years						
6	Source of shares (primary, secondary or Primary combination)	Primary						
7	Variation of terms of options	Nil						
8	Method used to account for ESOS - Intrinsic or fair value	The company has calculated the employee compensation cost using the intrinsic value of the stock options						
9	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options	NA						
10	The impact of this difference on profits and on EPS of the company on the current year profits (for the year grants)	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Profit (Loss) after Tax (₹ in Rs)</td> <td rowspan="4" style="font-size: 3em; vertical-align: middle;">}</td> <td rowspan="4" style="vertical-align: middle;">NA</td> </tr> <tr> <td>Less: Additional Employee Compensation cost of over Intrinsic Value (₹ in Rs)</td> </tr> <tr> <td>Adjusted PAT (Loss) (₹ in Rs)</td> </tr> <tr> <td>Adjusted weighted avg. EPS (₹ in Rs)</td> </tr> </table>	Profit (Loss) after Tax (₹ in Rs)	}	NA	Less: Additional Employee Compensation cost of over Intrinsic Value (₹ in Rs)	Adjusted PAT (Loss) (₹ in Rs)	Adjusted weighted avg. EPS (₹ in Rs)
Profit (Loss) after Tax (₹ in Rs)	}	NA						
Less: Additional Employee Compensation cost of over Intrinsic Value (₹ in Rs)								
Adjusted PAT (Loss) (₹ in Rs)								
Adjusted weighted avg. EPS (₹ in Rs)								
Details of ESOS during the financial year								
Sl. No	Description	Year ended 31 st March, 2018						
1	Number of Options Outstanding at the beginning of the year(Un-granted)	30,00,000						

2	Number of options granted during the year	930000	
3	Number of options forfeited/lapsed during the year	Nil	
4	Number of options vested during the year	Nil	
5	Number of options exercised during the year	Nil	
6	Number of shares arising as a result of exercise of options	Nil	
7	Amount realized by exercise of options (Rs.)	Nil	
8	Loan repaid by the Trust during the year from exercise price received	NA	
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	20,70,000	
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	Nil	
11	Weighted-average exercise		
	Stock Options Granted on	Weighted average exercise price(in Rs.)	Weighted average fair value (in Rs.)
	08th May, 2017 & 08 November, 2017	NA	NA
12	Employee wise details of options granted to		
	a. Key Managerial Personnel		Nil
	b. Any other employee who receive a grant of options in any one year of option mounting to 5% or more of option granted during the year 1. Kalyan Kumar Korisapati		2,00,000

	c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	Nil
13	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	NA
14	The main assumptions used in the Black Scholes option-pricing model during the year were as follows: (i) Weighted average values of share price (ii) exercise price (iii) Risk free interest rate (iv) Expected Life of Options (v) Expected volatility (vi) Dividend yield	NA
15	The method used and the assumptions made to incorporate the effects of expected early exercise	NA
16	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	NA
17	Whether and how any other features of the option grant were No incorporated into the measurement of fair value, such as a market condition.	NA

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

Sl. No.	Name of the subsidiary	Vivo Bio Labs Private Limited	Vivo Bio Discovery Services Pvt Ltd	Surlogic Life Consultancy Pvt Ltd
1.	Share Capital	100,000	100,000	1,00,000
2.	Reserves & Surplus	(34,122)	(34,122)	(17,375)
3.	Total assets	13,43,678	71,788	7,46,825
4.	Total Liabilities	12,77,800	5,900	6,64,200
5.	Investments	Nil	Nil	Nil
6.	Turnover	Nil	Nil	Nil
7.	Profit before taxation	(5,900)	(5,900)	(5,900)
8.	Provision for taxation	Nil	Nil	Nil
9.	Profit after taxation	(5,900)	(5,900)	(5,900)
10.	Proposed Dividend	Nil	Nil	Nil
11.	% of shareholding	100%	100%	100%

PART - B :**JOINT VENTURE :**

There are no joint ventures to report.

Form No. AOC-2 Annexure-G

(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 transactions under third proviso thereto

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

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

Sl.No	Name of the Company	Relationship
1	Vivobio Labs Private Limited	Wholly Owned Subsidiary
2	Vivobio Discovery Services Private Limited	Wholly Owned Subsidiary
3	Surlogic Life Consultancy Private Limited	Wholly Owned Subsidiary
4	Virinchi Limited	Common Promoter

(b) Nature of contracts/arrangements/transactions

The company has leased premises from Virinchi Limited

(c) Duration of the contracts/arrangements/transactions

Inter-company agreements entered into with subsidiary companies, as amended and ongoing.

The lease agreement extended for another 11 months

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

For the lease transaction it is Rs. 30 Lakhs per year.

(e) Date(s) of approval by the Board, if any: Not applicable as these are at arms' length basis and in the ordinary course of the business. 30/08/2014 is the date of board meeting on which the transaction of lease agreement with vivo bio tech ltd is approved.

(f) Amount paid as advances, if any: Nil

Annexure-H

Certification as required under Regulation 17 (8) SEBI (LODR) Regulations, 2015

We, M. Kalyan Ram, Whole Time Director, Mr. K.T.V. Kaladhar, Chief Financial Officer of Vivo Bio Tech Limited to the best of our knowledge and belief, certify that:

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

M Kalyan Ram
Whole Time Director
DIN : 02012580

KTV Kaladhar
CFO

Place : Hyderabad
Date : 28th May, 2018

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.

2. Board of Directors:

a) Composition and Category of Directors:

- The Company has an Executive Chairman cum whole time director and to have a more professional outlook your company is having 4 Non- Executive directors which composition is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

8 Board Meetings were held during the Financial Year 2017-18 and the gap between two Meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

13th April, 2017, 26th April,2017,19th May,2017,09th August,2017, 28th August,2017, 13th September,2017, 07th December,2017 , 14th February,2018

- 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 M.	Chairperson and Whole Time Director	8	Present	0	0	0
Alangudi Sankaranarayanan	Non-Executive and Non Independent Director	5	Present	0	0	0
K.V.Sittampalam	Non-Executive and Non Independent Director	0	Absent	1	1	0
Sunder Kanapathy	Independent Non-Executive Director	8	Present	0	0	0
Hariharan R	Independent Non-Executive Director	8	Present	0	0	0
M. Vijaya Lakshmi	Independent Non-Executive Director	8	Present	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.

The company does not have any 'material non-listed subsidiary company' as defined under SEBI (LODR) Regulations, 2015.

None of the directors on the board is a member of more than 10 committees or Chairman of more than 5 committees, across all companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the directors. All independent directors have provided an affirmation of their independence as required under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Training of board members

Non-executive directors who are inducted on the board are given an orientation about the company, its operations, services, details of subsidiaries and joint ventures, board procedures and processes and major risks and risk management strategies. The company ensures that directors are inducted through a familiarization process comprising, inter alia, their roles and responsibilities.

Newly inducted directors spend approximately a week at the time of their induction and interact with the Chairman, Whole Time Director, CFO, CEO, and other members of the senior management. They interact with the heads of all business units and other functional heads. They are provided a walk through among some of the centres of excellence and given a detailed understanding of the business and its operations. Directors are regularly updated on changes in policies and programmes, laws and the general business environment. Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on 30th March, 2018, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

Board member Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees and executive / non-executive / independent directors through a peer evaluation, excluding the director being evaluated.

Independent directors have three key roles - Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- The Ability to contribute to and monitor our corporate governance practice.

- The ability to contribute by introducing international best practices to address business challenges and risks
- Active participation in long term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities, these include participation in Board and committee meetings.

To improve the effectiveness of the Board and its Committees, as well as that of each individual director, a formal and rigorous Board review is internally undertaken on an annual basis.

3. AUDIT COMMITTEE:

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations

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 Kanaparthi	Chairman	Independent Non-Executive Director	4
M. Kalyan Ram	Member	Executive Director	4
M. Vijya Laksmi	Member	Independent Non-Executive Director	4

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. Ch. Varun Kumar is the Secretary of the Committee.

The primary responsibilities of the Audit Committee are to

- 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. Nomination and Remuneration Committee:

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

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- 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.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The Nomination and Remuneration Committee is constituted as follows.

Name of the Director	Designation	Nature of Directorship	Meetings attended
Sunder Kanaparthi	Chairman	Independent Non-Executive	2
Hariharan R	Member	Independent Non-Executive Director	2
M. Vijya Lakshmi	Member	Independent Non-Executive Director	2

Remuneration policy:

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of Selection of Board of Directors and CEO & Managing Director and their remuneration.

This Policy is accordingly derived from the said Charter.

1. Criteria of Selection of Non-Executive Directors

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of Technology, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of Independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties Effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- a) Qualification, expertise and experience of the Directors in their respective fields;
 - b) Personal, Professional or business standing;
 - c) Diversity of the Board.
- iv. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

Details of remuneration to the directors for the Year:

Name of the Director	Remuneration paid during the year 2017-18(in Rs.)		
	Sitting Fees	Salary	Total
M. Kalyan Ram	NIL	7,70,000	7,70,000
Dr. A. Sankaranarayanan	NIL	NIL	NIL
Kunasingam V. Sittampalam	NIL	NIL	NIL
Sunder Kanaparthi	40,000	NIL	40,000
Hariharan R	40,000	NIL	40,000
M. Vijaya Lakshmi	40,000	NIL	40,000

Shares held by Non-Executive Directors as on 31st March, 2018 are as follows:

S.No.	Name of the Director	No. of shares held as on the Date
1	Dr. A. Sankaranarayanan	Nil
2	Kunasingam V. Sittampalam	Nil
3	Sunder Kanaparthi	Nil
4	Hariharan R	Nil
5	M. Vijaya Lakshmi	Nil

5. Stakeholders Relationship Committee:

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
M Vijaya Lakshmi	Member	Independent Non-Executive Director
Kalyan Ram M	Member	Executive Director

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 communicated by our Registrars and Share Transfer Agents M/s. Aarthi Consultants Pvt. Ltd.

The outstanding complaints as on 31st March, 2018 were: NIL

Name & Designation of the Compliance officer:

Mr.Ch. Varun Kumar

Company Secretary, Chief Investor Relations & Compliance Officer

8-2-672 / 5 & 6, 3rd Floor

Ilyas Mohammed Khan Estate,

Road No. 1, Banjara Hills

Phone# 040-23313288 Email:investors@vivobio.com, www.vivobio.com

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

Financial Year	Date & Time	Venue	No. of Special Resolutions passed
2016-17	28/09/2017 2.30 P.M	8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No.1 Banjara Hills, Hyderabad, Telangana-500034	1
2015-16	30/09/2016 1.00 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-500026	NIL
2014-15	30/09/2015 3.00 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Sec'bad Telangana-500026	1

7. Postal ballot & EGM

The company has not conducted Postal Ballot during the period under review. No EGM's were conducted during the year.

8. Means of Communication

i. Publication of Results

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the Company were generally published in Financial Express, national level English newspaper(s) and Nava Telangana, regional language newspaper circulating in the state of Telangana

ii. Website and news release

The quarterly, half-yearly & nine months un-audited financial results and annual audited results are available on the website of the Company i.e. "www.vivobio.com". Official news releases, detailed presentations made to media, analysts, institutional investors, etc are available on the website of the Company i.e. www.vivobio.com. Official media releases are sent to BSE Limited. Your Company also make timely disclosure of necessary information to BSE Limited in terms of the Listing Regulation and other rules and regulation issued by the Securities and Exchange Board of India.

Further following information is available on the website of the Company i.e. www.vivobio.com:

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programs imparted to Independent Directors;
- Policy for determination of materiality of events.

iii. 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.

iv) 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.

v) E-voting

Pursuant to the requirements of the Companies Act, 2013, and the SEBI Listing Regulations, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

vi) 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.

vii) 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.

viii. Dedicated e-mail ID

Investors@vivobio.com

9) General Shareholders Information

a) Annual General meeting

Date: 28th September, 2018

Time: 1.00 PM

Venue: 8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills Hyderabad, Telangana - 500 034

b) Financial Calendar Financial year 1st April to 31st March

Tentative calendar for declaration of financial results in Financial Year 2018-19	
Results for the quarter ended June 30, 2018	on or before September 14, 2018
Results for the quarter ended September 30, 2018	on or before December 14, 2018
Results for the quarter ended December 31, 2018	on or before February 14, 2019
Results for the year ended March 31, 2019	on or before May 30, 2019

- d. Book Closure dates:** The dates for book closure are from 22nd September, 2018 to 28th September, 2018 (both days inclusive).

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The listing fee for the financial year 2018-19 has been paid to the above stock exchange.

e. Stock Code:

Trading scrip code on BSE : 511509

f. International Securities Identification Number (ISIN):

ISIN is a unique identification number of traded scrip. The Company's' ISIN for equity shares is INE380K01017.

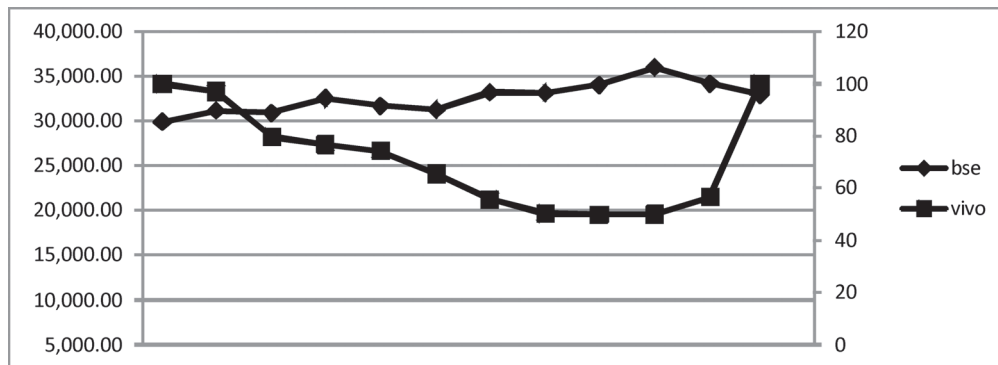
g) Market Price Data

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

Month	Highest (Rs.)	Lowest (Rs.)	Volume of Shares traders traded
April, 2017	100.00	100.00	8405
May, 2017	100.00	93.15	13270
June, 2017	99.90	73.20	11724
July, 2017	83.85	66.90	8,450
August, 2017	80.45	56.20	8,067
September, 2017	77.15	60.05	15,715
October, 2017	79.50	54.60	72,479
November, 2017	58.55	40.20	1,26,733
December, 2017	52.70	40.00	1,69,972
January, 2018	54.00	48.35	1,13,444
February, 2018	56.55	44.95	93,569
March, 2018	68.60	52.70	1,59,509

Share price performance in comparison to broad based indices – BSE

Vivo Share Price Vs BSE		
Particulars	Share price	BSE Sensex
As on April 1, 2017	100.00	29,910.22
As on March 31, 2018	55.70	34,046.94
Change (%)	(44.30)	13.83



h) Registrar and Share Transfer Agents, Share Transfer System

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent. As regards transfer of shares held in physical form the transfer documents can be lodged with M/s. Aarathi Consultants Private Limited. Share transfers, if documents are found to be in order, are registered and returned within stipulated time from the date of receipt of the documents.

M/s. Aarathi Consultants Private Ltd
(Unit- Vivo Bio Tech Limited)
1-2-285, Domalguda, Hyderabad
Phone# 040-27634445, 2763 8111
Email: info@aarthiconsultants.com

i) Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2018

Sl. No	Category	Holders	Holders %	Shares	Amount	Amount %
1	1 - 5000	6423	96.25	309676	3096760	3.14
2	5001 - 10000	110	1.65	87916	879160	0.89
3	10001 - 20000	60	0.90	88558	885580	0.90
4	20001 - 30000	17	0.25	44177	441770	0.45
5	30001 - 40000	7	0.10	24218	242180	0.25
6	40001 - 50000	8	0.12	37825	378250	0.38
7	50001 - 100000	17	0.25	134697	1346970	1.37
8	100001 & Above	31	0.46	9123453	91234530	92.62
	Total:	6673	100.00	9850520	98505200	100.00

j) 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). As on 31st March 2018 a total of 76,05,733 Equity Shares were dematerialized representing 77.21 % of the total paid up equity share capital of the Company. Dematerialization of shares is done through M/s. Aarathi Consultants Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Dematerialisation of Shares and Liquidity as on 31st March 2018

	No. of Shares	% of Total
NSDL	5932130	60.22
CDSL	1673603	16.99
Physical	2244787	22.79
Total	9850520	100.00

k) Distribution of Shareholding on the basis of ownership as on March 31, 2018

Sl.No	Description	No. of Shares	% of Total Capital
1	Company Promoter / Promoter group	44,71,500	45.39
2	Foreign Institutional Investors	0	0.00
3	Banks / Mutual Funds / NBFC	0	0.00
4	Bodies Corporate	4018480	40.79
5	Individuals / HUF	1180969	11.99
6	Employee Trusts	0	0.00
7	Non Resident Indians	169888	1.72
8	Foreign Bodies	0	0.00
9	Clearing Members / Trusts	9683	0.10
	Total	9850520	100.00

l) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has issued 33,00,000 Warrants during the year 2017-18. The conversion has to happen within 18 months from the date of allotment and the likely impact on equity is the paid up share capital will increase from Rs. 9,85,05,200 to Rs. 12,65,05,200.

m) Commodity Price Risk or foreign exchange risk and hedging activities.

The commodity price risk is not applicable to the company as it is the business of export of services.

Foreign exchange risks are tracked and managed within the Risk Management framework. Short-term foreign currency asset – liability mismatch is continuously monitored and hedged. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations.

n) CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company gave certification on financial reporting and internal controls for the financial year 2017-18 to the Board of Directors at their meeting held on 28th May, 2018 as required under regulation 17(8) of SEBI Listing Regulation- **Annexure H**.

o) EQUITY SHARES IN SUSPENSE ACCOUNT

As per Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015, the Company reports that No Equity Shares are lying in the suspense account as on 31st March 2018.

p. Development Facilities

The Company has Software Development facilities, the particulars of which are as follows:

Development Facilities	Facilities
Gajwel	Survey # 349/A, 350/A, 351, 356/3A, Pregnapur Village, Gajwel Mandal, Medak District, Telangana, India
Hakimpet	Survey # 121, Pothayapally Village, Near Hakimpet Airbase Ranga Reddy District, Telangana, India

q. Address for Correspondence:

For queries relating to shares

For queries relating to Financial Statements and other contents of Annual Report

M/s. Aarathi Consultants Private Ltd
(Unit - Vivo Bio Tech Limited)
1-2-285, Domalguda, Hyderabad
Phone : #040-27634445 / 37638111
Email : info@aarthiconsultants.com

M/s. Vivo Bio Tech Limited
3rd Floor, Illas Mohammed Khan Estate
Banjara Hills, Road # 1, Above Kotak Mahindra Bank
Hyderabad - 500034. Phone # 040-23313288
E-mail : investors@vivobio.com

10. Disclosures

Disclosures on materially significant related party transactions, which may have potential conflict with the interest of the Company at large:

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. However, the other related party transactions form part of the financial statements. The related party transactions policy is available on the website of the Company at <http://www.vivobio.com/pdf/policyOfRelatedPartyTransaction.pdf>

- i. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

NIL

- ii. Whistle blower policy:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Vigil Mechanism Policy is available on the website of the Company i.e. <http://www.vivobio.com/pdf/whistleBlowersPolicy.pdf>

The Company has complied with all mandatory requirements of SEBI Listing Regulations.

- iii. The company does not have any material Indian subsidiary company.
- iv. Disclosure of commodity price risks and commodity hedging activities.- Not applicable

The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has allotted 33,00,000 warrant on preferential basis.

11. Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of SEBI Listing Regulations

12. Non-Mandatory Requirements

Compliance Report on Discretionary Requirements under Regulation 27(1) of SEBI (LODR) Regulations, 2015

Status of implementation of non-mandatory requirements is as follows:

Sl.No	Requirement	Status of Implementation
1	A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not applicable as the company has an executive chairman
2	A half-yearly declaration of financial performance including summary of the significant events in last six-months, maybe sent to each household of shareholders.	We are in the process of implementation
3	The listed entity may move towards a regime of financial statements with unmodified audit opinion	The company has constantly endeavoured towards this and until now the company's audit reports are all 'clean reports/ unmodified opinions'
4	The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer.	The offices of Executive Chairman and Managing Director & CEO are different
5	The internal auditor may report directly to the audit committee.	The Internal auditor directly makes presentation to the Audit Committee and the internal auditor has the direct access to the Audit Committee

13. Functional website of the Company as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is www.vivobio.com. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the Information provided on its website.

14. Share Capital & Reconciliation of Share Capital Audit

A qualified practicing Company Secretary has carried out Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2018.

M Kalyan Ram
Whole Time Director
DIN : 02012580

Place : Hyderabad
Date : 29th August, 2018

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Vivo Bio Tech Limited,

We We have examined the compliance of conditions of Corporate Governance by M/s. Vivo Bio Tech Limited (“the company”) for the year ended March 31, 2018, as per the provisions of regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For P C N & Associates.,
(Formerly known as Chandra
Babu Naidu & Co.,)
Chartered Accountants
FRN: 016016S

Chandra Babu M
Partner
M.No. 227849

Place : Hyderabad
Date : 28th May, 2018

ANNEXURE TO THE DIRECTORS' REPORT

Pursuant to Regulation 34(2) (c) of SEBI (LODR) Regulations, 2015, a report on Management Discussion and Analysis Report is given below:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Overview

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

The Biologic Research Services group at Vivo Bio Tech offers a complete line of protein services, including gene synthesis, cloning, expression and purification of recombinant proteins and monoclonal antibodies. Our scientists will team up with you to develop solution for the most difficult to deal products including purification of untagged & poorly expressed proteins.

In-vitro Services offers solutions for pharmacologic, toxicological & bioanalytical investigations in drug discovery & development. Critical investigations like bacterial reverse mutation assays, chromosomal aberration, and micronucleus are specialty services by our scientists.

The In-vivo Services group at Vivo Bio Tech provides both non-regulatory and regulatory IND enabling preclinical development services. We are capable of screening & evaluating molecules for various pharmacological & therapeutic properties. Specifically for oncology, our scientists can provide design & development of xenograft models for evaluation of anti-cancer agents. Further, our scientists can customize in-vivo DMPK studies to help profile your drug candidate in both rodent and non-rodent animal models.

Vivo Bio has partnered with Taconic for sourcing foundation and expansion colonies of the animal models and have started in-house breeding of Specific Pathogen Free rodents.

Industry structure and developments

The biotechnology sector is one of the sectors which have contributed to enhancing the global profile of India in the last decade. At the beginning of the decade, this industry began to take shape with the sprouting of dozens of start-up companies as well as the diversification of established pharma players which set up biotech divisions to focus on this segment. A lot of significant developments have taken place in the sector.

The sector has witnessed some emerging trends. Bio-pharma, which constitutes nearly two-thirds of the Indian biotech sector, invests in innovative product development. Clearly, a lot of companies see more value in ramping up their service offerings even as they try to master the technological, financial and regulatory challenges, before they are able to offer cutting edge drugs in the market place

Investments, along with outsourcing activities and exports, are key drivers for growth in the biotech sector. Foreign Direct Investment (FDI) up to 100 per cent is permitted through the automatic route for manufacturers of drugs and pharmaceuticals.

The Government of India (GOI) through the Department of Biotechnology (DBT) has helped nurture the biotechnology field in India since its inception in 1986. India now has a large pool of outstanding people and infrastructure, created through several innovative schemes, which can serve as the capstone for the future growth of this sector and help the country achieve its vision to become a bio-economy and to extend benefits of biotechnology to its people.

India is now recognized as a global destination for vaccines, bio-services and increasingly for contract manufacturing, especially bio-similar. Many firms are exploring exciting areas of stem cell biology, synthetic biology, agri-biotechnology systems biology and evidence-based traditional medicine. The dynamic changes in the economy will make India a leading economic power in the world. The growth in gross domestic product (GDP) over the next decade will expand the domestic market and Indians will be able to afford healthcare products, and demand for food commodities and energy will grow too.

India is now recognized as a global destination for vaccines, bio-services and increasingly for contract manufacturing, especially bio-similar. Many firms are exploring exciting areas of stem cell biology, synthetic biology, agri-biotechnology systems biology and evidence-based traditional medicine. The dynamic changes in the economy will make India a leading economic power in the world. The growth in gross domestic product (GDP) over the next decade will expand the domestic market and Indians will be able to afford healthcare products, and demand for food commodities and energy will grow too.

Opportunities:

India offers numerous comparative advantages in terms of R&D facilities, technical know-how, skill set and cost effectiveness. This presents the biotechnology industry in India, immense potential to emerge as a key global player particularly in the bio agriculture and bio industrial segments. There is a rising opportunity in focused R&D and knowledge based innovation that can deliver environmental sustainability in the long run. The Government of India has been supportive and has taken initiatives to improve the biotechnology sector in the country as well as offer enough scope for research in this field.

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 time to time. In order to ensure that all checks and balances are in place and all internal control systems and procedures are in order, regular and in- depth internal audit is conducted by the qualified chartered accountants. Internal audit reports are reviewed by the audit committee on a quarterly basis.

Discussion on financial performance with respect to operational performance: The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. The Management of the Company accepts responsibility for the integrity and objectivity of the financial statements as well as for the various estimates used therein. The financial statements have been prepared on a prudent basis to reflect an accurate picture of the Company's state of affairs.

Revenues: The total income of the Company for the FY 2017-18 comprises operating revenues of Rs. 4700.12 lakhs as against Rs. 3412.80 Lakhs in FY 2016- 17

Profits: Profit before Tax (PBT) stood at Rs.400.78 Lakhs as against Rs 283.54 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs.312.30 Lakhs as against Rs. 250.39 Lakhs for the previous year

Material Developments in Human Resources: Vivo is a performance-driven organization. Our performance management system strongly links organizational values and objectives with individual targets and performance metrics to create a harmonious growth path for all employees. This year, the performance management system was modified to make it more robust and transparent, which provided an excellent user experience to all employees undergoing appraisals. Vivo encourages employees to aspire for higher professional goals and supports them in achieving them. The Internal Job Postings initiative helps employees realize their Professional goals through internal promotions/ transfer opportunities. The HR team delivered quality training solutions in a timely manner. A survey launched to measure the effectiveness of training programs revealed that almost 98% employees were able to enhance their skill/knowledge and apply it on the job. As a part of our ongoing effort to enhance leadership skills at Vivo, we initiated the Leadership Talk series. Workshops were conducted for the businesses in order to formulate a common mission and objectives for the year. An engaged employee is a motivated and effective employee. At Vivo we make every effort to make the workplace engaging and encouraging for our staff. Vivo aims at developing industry-ready, high-end talent by equipping bio scientists with skills that enhance their employability.

STANDALONE FINANCIALS

INDEPENDENT AUDITOR'S REPORT

To the Members of Vivo Bio Tech Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of M/s. **VIVO BIO TECH LIMITED** ('the Company'), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including other Comprehensive Income) and Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "Ind AS Financial Statement")

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance(including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Ind AS 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 Ind AS 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 thereunder.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements:

Opinion

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

aforesaid Ind AS 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 including Ind AS of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flow and changes in the equity 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(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 litigation on its financial position in its Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2018.

For P C N & ASSOCIATES

(Formerly known as ChandraBabu Naidu & Co.),
Chartered Accountants,
Firm Reg.No: 016016S

Chandra Babu M

Partner
M.No: 227849

Place: Hyderabad
Date: 28th May, 2018

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Vivo Bio Tech Limited on the Ind AS financial statements for the year ended 31st March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The 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 intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- 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, Custom Duty, Goods and Services 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, Custom Duty, Goods and Services Tax and other material statutory dues in arrears as at 31st March 2018 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
- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks or Government or dues to debenture holders 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 mandated 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 section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.
 - xiv. According to the information and explanations given by the management, during the year warrants were converted into 500000 equity shares were issued on preferential basis @ Rs. 10/- with a premium of Rs. 20/-
 - xv. The Company has not entered into 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 C N & ASSOCIATES

(Formerly known as ChandraBabu Naidu & Co.),
Chartered Accountants,
Firm Reg.No: 016016S

Chandra Babu M

Partner
M.No: 227849

Place: Hyderabad
Date: 28th May, 2018

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 of 31st march 2018 in conjunction with our audit of standalone Ind AS 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 Judgement, including the assessment of the risk of material misstatement of the standalone 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 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 Ind AS 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 Ind AS 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 deducted. 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 31st, 2018, 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.

For P C N & ASSOCIATES

(Formerly known as ChandraBabu Naidu & Co.),
Chartered Accountants,
Firm Reg.No: 016016S

Chandra Babu M

Partner
M.No: 227849

Place: Hyderabad
Date: 28th May, 2018

M/s. VIVO BIO TECH LTD
STANDALONE BALANCE SHEET

PARTICULARS	Note No.	As At 31/03/2018 ₹	As At 31/03/2017 ₹	As At 01/04/2016 ₹
1) NON CURRENT ASSETS				
Property, Plant and Equipment	1	211,165,341	228,419,541	169,423,715
Capital Work-In-Progress	1	39,442,795	29,603,205	419,482
Intangible Assets	1	63,506,020	55,317,335	64,079,664
Financial Assets				
Non-Current Investments	2	3,00,000	3,00,000	3,00,000
Other Non-Current assets	3	390,553	261,106	3,60,337
2) CURRENT ASSETS				
Inventories	4	75,862,445	45,585,882	40,814,026
Financial Assets				
Trade and Other Receivables	5	117,764,845	76,658,708	38,190,757
Cash and Cash Equivalents	6	41,451,949	11,845,177	118,511,094
Short Term Loans and Advances	7	40,012,516	44,618,597	8,620,533
Other current assets	8	5,385,610	18,744,387	15,995,547
Total Assets		595,282,074	511,353,938	456,715,154
EQUITY AND LIABILITIES				
Equity				
Share Capital	9	98,505,200	93,505,200	93,505,200
Other Equity	10	73,820,202	32,477,351	7,325,870
Share Warrants		21,000,000	-	-
(1) Non-Current Liabilities				
Financial Liabilities				
Borrowings	11	138,981,331	209,323,034	141,061,169
Provision	12	3,058,239	2,502,805	2,030,215
Deferred Tax Liabilities (Net)	13	5,624,369	7,817,915	8,405,859
(2) Current Liabilities				
Financial Liabilities				
Borrowings	14	112,141,479	61,227,141	28,050,004
Trade Payables	15	79,800,329	54,007,721	87,463,132
Other Liabilities	16	34,681,041	39,197,491	77,213,127
Provisions	17	27,669,886	11,295,281	11,660,578
Total		595,282,074	511,353,938	456,715,154

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 PCN & ASSOCIATES

(Formerly known as Chandra

Babu Naidu & Co.,)

Chartered Accountants

Firm Registration No. 016016S

Chandra Babu M

Partner

Membership No. 227849

Place : Hyderabad

Date : 28th May, 2018

For and on behalf of the Board of

M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan

Director

DIN : 02703392

K.T.V. Kaladhar

Chief Financial Officer

M. Kalyan Ram

Whole Time Director

DIN : 02012580

Ch. Varun Kumar

Company Secretary

M.No. : A31280

M/s. VIVO BIO TECH LTD
Statement of Profit and Loss for the Year Ended

PARTICULARS	Note No.	Year Ended 31/03/2018 ₹	Year Ended 31/03/2017 ₹
1. Revenue from Operations	18	470,011,673	341,279,531
2. Other Income	19	1,334,995	3,956,287
3. Total Revenue (1+2)		471,346,668	345,235,818
4. Expenses:			
a) Purchases		125,959,868	86,207,873
b) Changes (Increase)/ decrease in Inventories	20	(30,276,563)	(4,771,856)
c) Employee Benefit Expense	21	75,852,319	54,951,065
d) Depreciation and Amortization Expense	1	46,393,684	39,013,076
e) Financial Costs	22	23,674,875	12,888,015
f) Administrative & Other Operating Expenses	23	189,664,245	128,594,012
Total Expenses		431,268,427	316,882,185
5. Profit before tax (3-4)		40,078,241	28,353,633
6. Tax expense:			
(1) Current tax		1,10,41,624	3,902,785
(2) Deferred tax		(2,193,545)	(587,944)
7. Profit after tax (5-6)		31,230,162	25,038,792
8. Other Comprehensive Income			
Items that will not be reclassified to P&L Account (Net of Tax)		112,689	112,689
9. Total Other Comprehensive Income		31,342,851	25,151,481
10. Earning per equity share:			
(1) Basic		3.18	2.69
(2) Diluted		3.18	2.69

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 PCN & ASSOCIATES

(Formerly known as Chandra Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No. 016016S

Chandra Babu M
Partner
Membership No. 227849
Place : Hyderabad
Date : 28th May, 2018

For and on behalf of the Board of
M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan
Director
DIN : 02703392
K.T.V. Kaladhar
Chief Financial Officer

M. Kalyan Ram
Whole Time Director
DIN : 02012580
Ch. Varun Kumar
Company Secretary
M.No. : A31280

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

Particulars	Current Year ₹	Previous Year ₹
A. Cash Flow from Operating Activities:		
Net Profit Before Tax	40,190,930	28,466,322
Adjustments for:		
Depreciation	46,393,684	39,013,076
Interest expenses	23,674,875	12,888,015
Operating Profit before Working Capital Changes	110,259,489	80,367,412
Working Capital Changes		
Trade and Other Receivables	(53,547,288)	(82,000,170)
Trade payables	86,926,988	(38,659,206)
Cash Generated from Operations	143,639,189	(40,291,964)
Interest paid	23,674,875	12,888,015
Taxation for the year	8,848,079	3,314,841
Net Cash from Operating Activities	111,116,235	(56,494,819)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(47,167,760)	(118,430,297)
Net Cash used in Investing Activities	(47,167,760)	(118,430,297)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	15,000,000	-
Net Proceeds from Long Term Borrowings	(49,341,703)	68,259,200
Net Cash used in Financing Activities	(34,341,703)	68,259,200
Net increase in cash and cash equivalents	29,606,771	(106,665,917)
Cash and Cash equivalents as at 01.04.2017	11,845,177	118,511,094
Cash and Cash equivalents as at 31.03.2018	41,451,949	11,845,177

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the Financial Statements.

As per Our Report of Even Date
For PCN & ASSOCIATES
(Formerly known as Chandra
Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No. 016016S
Chandra Babu M
Partner
Membership No. 227849
Place : Hyderabad
Date : 28th May, 2018

For and on behalf of the Board of
M/s Vivo Bio Tech Limited

<p>Dr. A. Sakaranarayanan Director DIN : 02703392 K.T.V. Kaladhar Chief Financial Officer</p>	<p>M. Kalyan Ram Whole Time Director DIN : 02012580 Ch. Varun Kumar Company Secretary M.No. : A31280</p>
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A. SIGNIFICANT ACCOUNTING POLICIES:

1. Corporate Information

Vivo Bio Tech is engaged in service of CRO offering Drug Development & Discovery Services to Pharmaceutical & Biotech Companies world-wide in accordance with OECD - GLP, AAALAC & IND guidelines. The company offers services in the areas of *In vivo* & *In vitro* toxicity studies, Pharmacological investigations, Pharmacokinetic & toxicokinetic studies, Genotoxicity screening, Analytical services etc. Our experienced & talented scientists offer advice on defining drug development paths tailored to specific molecules.

Our Scientific team provides both regulatory and non-regulatory IND enabling preclinical development services. We are capable of screening & evaluating molecules for various pharmacological & therapeutic properties. Specifically for oncology, our scientists can provide design & development of syngeneic / xenograft models for evaluation of anti-cancer agents. Further, our scientists can customize *In vivo* DMPK studies to help profile your drug candidate in both rodent and non-rodent animal models.

Vivo Bio has partnered with Taconic Biosciences for sourcing foundation and expansion colonies of the SPF rodent models and have started in-house Breeding & Trading. Vivo Bio has also partnered with Cyagen Biosciences to provide easy access to Genomic Technologies to Indian Biomedical R&D.

2. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) **Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

(ii) **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell; and
- Defined benefit plans – plan assets measured at fair value;

2.1 Summary of significant accounting policies

I. Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

Use of estimation and assumptions

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements.

Income tax

The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is applied as per the Schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Employee Benefits- Measurement of Defined Benefit Obligation

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits.

II. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives in years are as under:

Plant and Machinery	1 to 25
Computers and equipment	3 to 6
Furniture & fixtures	10 to 15
Vehicles	8 to 10
Office equipment	5 to 15

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

III. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The company amortizes Computer software using the straight-line method over the period of 6 years.

IV. Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the

market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Subsequent Measurement:

(i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI.

Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the statement of profit and loss.

(iv) Investment in subsidiaries, joint ventures & associates are carried at cost in the separate financial statements.

Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

(i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due

status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- The contractual right to receive cash flows from financial asset is expired or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

V. Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

VI. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

VII. Share Capital

Equity shares are classified as equity.

VIII. Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

Subsequent measurement – at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de recognised, and through the amortization process.

De recognition

A financial liability is de recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

IX. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate

first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when as inflow of economic benefits is probable

XI. Fair Value Measurements

Company uses the following hierarchy when determining fair values:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and,

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs.

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

XII. Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects GST, service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is considered fixed and generally title has passed.

Insurance Claims

Insurance claims are recognized on acceptance / receipt of the claim.

Interest

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

XIII. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

XIV. 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.

XV. 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.

XVI. Related Party Disclosures

The Company furnishes the details of Related Party Disclosures as required by Companies Act 2013 and Indian Accounting Standard (IND AS)- 24.

XIX. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares

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- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XX. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

Note Number : 1
STANDALONE FIXED ASSETS AS ON 31ST MARCH, 2018

Sl.	Particulars	Gross Block		Depreciation / Amortization		Net Block			
		As on 01.04.2017	Additions during the year	As on 31.03.2018	As on 01.04.2017	Depreciation During the Period	As on 31.03.2018	As on 31.03.2017	As on 01.04.2018
I.	TANGIBLE ASSETS								
	Land	25,053,298	-	25,053,298	-	-	-	25,053,298	25,053,298
	Plant & Machinery	10,016,894	6,459,103	16,475,997	2,517,348	1,482,765	4,000,113	7,499,546	5,378,351
	Electrical Equipment	9,221,087	1,355,536	10,576,623	3,591,693	952,729	4,544,422	6,032,201	1,956,101
	Laboratory Equipment	261,810,285	10,333,530	272,143,815	86,951,838	29,254,232	116,206,070	174,858,447	123,168,003
	Office Equipment	5,085,616	-	5,085,616	3,540,008	324,597	3,864,605	1,545,608	611,121
	Computers	4,914,626	180,000	5,094,626	2,239,421	1,097,878	3,337,299	2,675,205	379,167
	Furniture	6,019,730	-	6,019,730	3,086,751	659,988	3,746,739	2,932,979	2,839,253
	Vehicles	16,611,318	-	16,611,318	8,386,254	1,810,180	10,196,434	8,225,064	10,038,421
	Sub Total (a)	338,732,854	18,328,169	357,061,023	110,313,313	35,582,369	145,895,682	228,419,541	169,423,715
II.	Intangible Assets								
	Technical Know How	93,506,244	19,000,000	112,506,244	39,593,918	10,364,942	49,958,860	62,547,383	63,309,247
	Computer Software	6,548,149	-	6,548,149	5,143,138	446,373	5,589,511	958,637	770,417
	Sub Total (b)	100,054,393	19,000,000	119,054,393	44,737,057	10,811,315	55,548,372	63,506,020	64,079,664
	Capital Work In Progress	29,603,205	9,839,590	39,442,795	-	-	-	39,442,795	29,603,205
Grand Total (a+b+c)	468,390,452	47,167,759	515,558,211	155,050,369	46,393,684	201,444,053	314,114,156	233,503,379	

Notes to the financial statements for the year ended 31 March 2018

NOTE NO. 2 : NON CURRENT INVESTMENTS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/4/2016 ₹
Investment in Subsidiaries			
a) Equity Shares			
100% Holding in Vivo Bio Discovery Services Pvt Ltd	100,000	100,000	100,000
100% Holding in Vivo Biolabs	100,000	100,000	100,000
100% Holding in Surlogic Life Consultancy Pvt Ltd	100,000	100,000	100,000
Total Non Current Investments	300,000	300,000	300,000

NOTE NO. 3 : OTHER NON - CURRENT ASSETS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/4/2016 ₹
Unamortised Expenses	390,553	261,106	360,337
Total Other Non Current Assets	390,553	261,106	360,337

NOTE NO. 4 : INVENTORIES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/4/2016 ₹
Stock, Stores and spares	75,862,445	45,585,882	40,814,026
Total Inventories	75,862,445	45,585,882	40,814,026

NOTE NO. 5 : TRADE RECEIVABLES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/4/2016 ₹
Secured, Considered Good			
Below 6 months	29,095,133	76,658,708	38,190,757
Above 6 months	88,669,712	-	-
Total Trade Receivables	117,764,845	76,658,708	38,190,757

NOTE NO. 6 : CASH AND BANK BALANCES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/4/2016 ₹
Cash and cash equivalents :			
a) Balances with banks :			
1) On Current Accounts	33,438,345	263,141	7,141,623
b) Cash on hand	137,710	164,900	58,783
Sub Total	33,576,055	428,041	7,200,406
Other Bank Balances			
On Deposit Accounts			
a) Having Maturity more than 12 Months from date of deposit	7,875,894	11,417,136	111,310,686
Sub Total	7,875,894	11,417,136	111,310,686
Total Cash and Cash Equivalents	41,451,949	11,845,177	118,511,092

NOTE NO. 7 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Loans and advances to related parties			
Unsecured			
Vivo Bio Labs Pvt Ltd	12,71,900	12,71,900	12,71,900
Surlogic Life Consultancy Pvt Ltd	6,06,250	6,06,250	6,06,250
b) Other loans And advances			
Secured			
Refundable Rent Deposit	22,950,460	22,950,460	-
Other Deposits	-	5,107,568	3,830,018
Unsecured	15,183,906	14,682,419	2,912,365
Total short term loans & advances	40,012,516	44,618,597	8,620,533

NOTE NO. 8 : OTHER CURRENT ASSETS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
GST Credit and TDS Receivable	5,385,610	18,744,387	15,995,547
Total Other Current Assets	5,385,610	18,744,387	15,995,547

NOTE NO. 9 : SHARE CAPITAL

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
AUTHORISED:			
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP			
98,50,520 Equity shares of Rs.10/- each	98,505,200	93,505,200	93,505,200
Total Share Capital (Equity)	98,505,200	93,505,200	93,505,200

The company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- each.

The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	No. of shares	No. of shares	
Equity Shares at the Beginning	9,350,520	93,50,520	93,50,520
Add: Issued during the year	500,000	—	—
Equity Shares at the end of the year	9,850,520	9,350,520	9,350,520

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

Name of the Shareholder	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
	No. of Shares	No. of Shares	No. of Shares
Northern Union Ltd	1,035,000	10,35,000	10,35,000
Max Cell Phone Communications India Pvt Ltd	8,00,000	8,00,000	8,00,000
Vira Systems Pvt Ltd	13,45,000	13,45,000	13,45,000
Iron Age India Limited	6,00,000	6,00,000	6,00,000
Iragavarapu Constructions Pvt Ltd	6,00,000	6,00,000	6,00,000
P.K.I Solutions Pvt Ltd	6,00,000	6,00,000	6,00,000
Every Wear Import and Export Pvt Ltd	916,693	13,50,000	13,50,000
Elite Class Asset Holdings Ltd	13,00,000	13,00,000	13,00,000

NOTE NO. 10 : OTHER EQUITY

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Securities Premium			
As at the commencement of the year	15,840,000	15,840,000	15,840,000
Add: Additions during the year	10,000,000	—	—
As at end of the year	2,58,40,000	15,840,000	15,840,000
General Reserves			
As at the commencement of the year	1,000,000	1,000,000	1,000,000
As at end of the year	1,000,000	1,000,000	1,000,000
Capital Reserve			
As at the commencement of the year	29,289,102	29,289,102	29,589,100
As at end of the year	29,289,102	29,289,102	29,589,100
Surplus			
As at the commencement of the year	(13,651,751)	(38,803,232)	(47,902,935)
Add: Additions during the year (Transfer from Profit & Loss a/c)	31,342,851	25,151,481	9,099,703
As at end of the year	17,691,100	(13,651,751)	(38,803,232)
Total Other Equity	73,820,202	32,477,351	7,325,870

NOTE NO. 11 : LONG TERM BORROWINGS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Term loans:			
From banks:			
Secured			
Vehicle Loans	1,366,478	2,973,825	5,449,315
Term Loans	54,884,668	72,980,355	—
b) other loans and advances			
Biotech Consortium India Ltd. A/c SBIRI	13,458,000	15,701,000	17,944,000
Unsecured	69,272,185	117,667,854	117,667,854
Total long term borrowings	138,981,331	209,323,034	141,061,169

NOTE NO. 12 : LONG TERM PROVISIONS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Provision for employee benefits			
Provision for Gratuity	3,058,239	2,502,805	2,030,215
Total Long Term Provisions	3,058,239	2,502,805	2,030,215

NOTE NO. 13 : DEFERRED TAX LIABILITY

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Opening Deferred tax Liability	7,817,914	8,405,859	11,188,502
Add:			
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(1,987,095)	(1,396,132)	(2,155,307)
Deferred Tax Liability for the year (Due to Others)	(206,450)	808,188	(627,336)
Deferred Tax Liability/ (Asset) - Net	5,624,369	7,817,915	8,405,859

NOTE NO. 14: SHORT TERM BORROWINGS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Loans repayable on demand:			
From banks			
Secured	82,043,910	40,057,007	28,050,004
(Hypothecation of Stock and Book Debts, Personal Gurantee of Promoters of the company & Equitable Mortgage of Lands)			
Term Loan repayable in next 12 months	20,000,000	21,170,134	-
Unsecured - NBFC			
Term Loan repayable in next 12 months	10,097,569	-	-
Total short term borrowings	112,141,479	61,227,141	28,050,004

NOTE NO.15 : TRADE PAYABLES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Trade Payables	79,800,329	54,007,721	87,463,132
Total Trade Payables	79,800,329	54,007,721	87,463,132

NOTE NO.16 : OTHER CURRENT LIABILITIES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Other Payables (Creditors for Expenses & Equipment)	34,681,041	39,197,491	77,213,127
Total other current liabilities	34,681,041	39,197,491	77,213,127

NOTE NO. 17 : SHORT TERM PROVISIONS

Particulars	As at 31/3/2018	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Provisions for employee benefits			
Provident Fund	428,374	439,253	373,129
Salaries	8,323,572	4,122,404	3,435,841
Director Remuneration	57,167	24,367	24,167
b) Others			
Statutory Liabilities	14,860,277	4,811,235	879,131
Provision for Expenses	2,029,496	1,898,022	6,948,310
Consultancy Charges	1,971,000	-	-
Total short term provisions	27,669,886	11,295,281	11,660,578

NOTE NO. 18 : REVENUE FROM OPERATIONS

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
Revenue from Operations	470,011,673	341,279,531
Total Revenue from Operations	470,011,673	341,279,531

NOTE NO. 19 : OTHER INCOME

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
(a) Interest income	1,334,995	2,888,027
(b) Other Income (Interest on IT Refund)	-	1,068,260
Total Other Income	1,334,995	3,956,287

NOTE NO. 20 : CHANGE IN INVENTORIES & WIP.

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
Finished Goods		
Finished goods at the beginning of the year	45,585,882	40,814,026
Less : Finished goods at the end of the year	75,862,445	45,585,882
Total Change in Inventories & WIP	(30,276,563)	(4,771,856)

NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
(a) Salaries & Wages	70,222,762	48,873,671
(b) Contribution to Provident & Other Funds	4,048,111	4,800,485
(c) Staff Welfare Expenses	1,581,446	1,276,909
Total Employee Benefit Expenses	75,852,319	54,951,065

NOTE NO. 22 : FINANCE COST

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
Interest on Working Capital & Bank Charges	23,674,875	12,888,015
Total Finance Cost	23,674,875	12,888,015

NOTE NO. 23 : ADMINISTRATIVE & OTHER OPERATING EXPENSES

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
(a) Power & Fuel	28,735,356	29,103,468
(b) Rent	55,395,482	52,815,605
(c) Repairs to Machinery	2,251,064	2,138,767
(d) Insurance	4,465,359	285,017
(e) Telephone, Postage and Others	2,626,991	978,086
(f) Business Promotion Expenses	1,870,416	4,720,986
(g) Travelling Expenses	4,706,069	8,042,854
(h) Office Maintenance	12,216,801	15,400,608
(i) Printing & Stationery Expenses	980,009	1,197,517
(j) Rates & Taxes	15,568,169	1,822,442
(k) Managerial Remuneration	717,204	336,204
(l) Consultancy Charges	37,479,902	11,135,922
(m) Bad Debts	22,167,428	-
(i) Seminar Fee	91,500	508,575
(n) Net loss on foreign currency transaction	306,243	32,961
(o) Payment to Auditors:		
(i) As Auditor	86,250	75,000
TOTAL ADMINISTRATIVE & OTHER OPERATING EXPENSES	189,664,244	128,594,012

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 PCN & ASSOCIATES

(Formerly known as Chandra
Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No. 016016S

Chandra Babu M

Partner
Membership No. 227849
Place : Hyderabad
Date : 28th May, 2018

For and on behalf of the Board of

M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan

Director

DIN : 02703392

K.T.V. Kaladhar

Chief Financial Officer

M. Kalyan Ram

Whole Time Director

DIN : 02012580

Ch. Varun Kumar

Company Secretary

M.No. : A31280

Note: 24

Particulars	Current Year ₹	Previous Year ₹
Directors Remuneration	7, 17,204/-	3, 36,204/-

Note: 25

Particulars	Current Year ₹	Previous Year ₹
Audit Fee	86,250/-	75,000/-

Note: 26 Foreign Exchange Inflow & Outflow (Rs. in lakhs)

Particulars	Current Year	Previous Year
a) Inflow	49.79	166.05
b) Outflow for Capital Expenditure	462.16	232.70

Note: 27

Stocks are valued at cost or realisable value whichever is less. Since company is breeding and trading activity of Rodents hence the value of rodents in stock valued at marketable value. Cost of rodents stock can't be ascertained hence considered as realizable value

NOTE 28: 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	Vivo bio Labs Pvt Ltd	1,00,000
2	Vivo bio Discovery services Pvt Ltd	1,00,000
3	Surlogic Life Consultancy Services Pvt Ltd	1,00,000

NOTE 29: 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	2017-18	2016-17
Profit available for the equity share holders	3,13,42,851	2,51,51,481
No. of equity shares outstanding for EPS-Basic	98,50,520	93,50,520
No. of equity shares outstanding of EPS-Diluted	98,50,520	93,50,520
Basic	3.18	2.69
Diluted	3.18	2.69

Note: 30

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: 31

The company has taken lease of 12,500 sft area, at prevailing market rates, from M/s.Virinchi Limited for R&D division in which promoters are common.

Note 32**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 Services Pvt Ltd

b) Key Management Personnel:

S.NO	NAME	Designation
1	M. Kalyan Ram	Whole Time Director
2	K T V Kaladhar	Chief Financial Officer
3	Ch. 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	7,17,204	3,36,204
Virinchi Ltd	Lease Rental paid	30,00,000	30,00,000

Note: 33

Previous year's figures have been regrouped wherever necessary.

Note: 34

The figures have been rounded off to the nearest rupee.

As per our report of even date For and on behalf of the Board of Directors

As per our report of even date.

For PCN & ASSOCIATES

(Formerly known as Chandra
Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No. 016016S

Chandra Babu M

Partner
Membership No. 227849

Place : Hyderabad

Date : 28th May, 2018

For and on behalf of the Board of
M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan

Director

DIN : 02703392

K.T.V. Kaladhar

Chief Financial Officer

M. Kalyan Ram

Whole Time Director

DIN : 02012580

Ch. Varun Kumar

Company Secretary

M.No. : A31280

CONSOLIDATED FINANCIALS

INDEPENDENT AUDITOR'S REPORT

To the Members of Vivo Bio Tech Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s. **Vivo Bio Tech Limited** (“the Holding Company”), its subsidiaries and its jointly controlled entities; together referred to as “the Group” comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss(including other comprehensive income) and Consolidated Cash Flow Statement and the Statement of changes in equity 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 Ind AS 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 Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the respective companies is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ins AS financial statements by the Directors of Holding Company, as aforesaid.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 and auditing 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 Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements:

Opinion:

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

These consolidated financial statements include the financials of the following entities:

- (a) Vivo Bio Discovery Services Private Ltd
- (b) Vivo Bio Labs Private Limited
- (c) Surlogic Life Consultancy Private Ltd

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs. 21.62 lakhs as at March 31, 2018, and total revenues is NIL for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

(i) In the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2018;

(ii) In the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

(iii) In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable 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 Ind AS financial statements;
 - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, and the consolidated Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - d) in our opinion, the aforesaid consolidated Ind AS 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, 2018, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2018, 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 Ind AS financial statement has disclosed the pending litigations which could have impact on its financial position.
 - ii. The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.

For P C N & ASSOCIATES

(Formerly known as ChandraBabu Naidu & Co.),
Chartered Accountants,
Firm Reg.No: 016016S

Chandra Babu M

Partner
M.No: 227849

Place: Hyderabad
Date: 28th May, 2018

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 Ind AS financial statements of the company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Vivo Bio Tech Limited (‘the Holding company’) and its subsidiary companies which are incorporated in India, as of the date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary/joint venture companies, which are incorporated in India, are 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 deemed 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 material misstatement of the Consolidated Ind AS 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 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 deducted. 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 companies, which are companies incorporated in India, have, 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 31 March 2018, 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.

For P C N & ASSOCIATES

(Formerly known as ChandraBabu Naidu & Co.),
Chartered Accountants,
Firm Reg.No: 016016S

Chandra Babu M

Partner
M.No: 227849

Place: Hyderabad
Date: 28th May, 2018

M/s. VIVO BIO TECH LTD
CONSOLIDATED BALANCE SHEET

PARTICULARS	Note No.	As At 31/03/2018 ₹	As At 31/03/2017 ₹	As At 01/04/2016 ₹
1) NON CURRENT ASSETS				
Property, Plant and Equipment	1	213,105,541	230,359,741	171,363,914
Capital Work-In-Progress	1	39,442,795	29,603,205	419,482
Intangible Assets	1	63,506,020	55,317,335	64,079,664
Financial Assets				
Other Non-Current assets	2	390,553	261,106	360,337
2) CURRENT ASSETS				
Inventories	3	75,862,445	45,585,882	40,814,026
Financial assets				
Trade and Other Receivables	4	117,764,845	76,658,708	38,190,757
Cash and Cash Equivalents	5	41,510,117	11,920,594	118,603,471
Loans and Advances	6	38,134,366	42,740,448	6,742,383
Other current assets	7	5,385,610	18,744,387	15,995,547
Total Assets		595,102,292	511,191,406	456,569,581
EQUITY AND LIABILITIES				
Equity				
Share Capital	8	98,505,200	93,505,200	93,505,200
Other Equity	9	73,570,669	32,248,805	7,111,286
Share Warrants		21,000,000	-	-
(1) Non-Current Liabilities				
Financial Liabilities				
Borrowings	10	139,033,381	209,375,084	23,393,315
Provision	11	3,058,239	2,502,805	2,030,215
Deffered Tax Liabilities	12	5,624,369	7,817,915	8,405,859
(2) Current Liabilities				
Financial Liabilities				
Borrowings	13	112,141,479	61,227,141	28,050,004
Trade Payables	14	79,800,329	54,007,721	87,463,132
Other Liabilities	15	34,681,041	39,197,491	194,933,031
Provisions	16	27,687,586	11,309,244	11,677,539
Total		595,102,292	511,191,406	456,569,581

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 PCN & ASSOCIATES

(Formerly known as Chandra Babu Naidu & Co.,)

Chartered Accountants

Firm Registration No. 016016S

Chandra Babu M

Partner

Membership No. 227849

Place : Hyderabad

Date : 28th May, 2018

For and on behalf of the Board of

M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan

Director

DIN : 02703392

K.T.V. Kaladhar

Chief Financial Officer

M. Kalyan Ram

Whole Time Director

DIN : 02012580

Ch. Varun Kumar

Company Secretary

M.No. : A31280

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

PARTICULARS	Note No.	Year Ended 31/03/2018 ₹	Year Ended 31/03/2017 ₹
1. Revenue from Operations	17	470,011,673	341,279,531
2. Other Income	18	1,334,995	3,956,287
3. Total Revenue (1+2)		471,346,668	345,235,818
4. Expenses:			
a) Purchases		125,959,868	86,207,873
b) Changes (Increase)/ decrease in Inventories	19	(30,276,563)	(4,771,856)
c) Employee Benefit Expense	20	75,852,319	54,951,065
d) Depreciation and Amortization Expense	1	46,393,684	39,013,076
e) Administrative & Other Operating Expenses	21	1,89,681,944	128,611,262
f) Financial Costs	22	23,674,875	12,888,015
Total Expenses		431,286,127	316,899,435
5. Profit before tax (3-4)		40,060,541	28,336,383
6. Tax expense:			
(1) Current tax		11,041,624	3,899,498
(2) Deferred tax		(2,193,545)	(587,944)
7. Profit after Tax (5-6)		31,212,462	25,024,829
8. Other Comprehensive Income			
Items that will not be reclassified to P&L Account (Net of Tax)		112,689	112,689
9. Total Other Comprehensive Income		31,325,151	25,137,518
10. Earning per equity share:			
(1) Basic		3.18	2.69
(2) Diluted		3.18	2.69

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 PCN & ASSOCIATES

(Formerly known as Chandra

Babu Naidu & Co.,)

Chartered Accountants

Firm Registration No. 016016S

Chandra Babu M

Partner

Membership No. 227849

Place : Hyderabad

Date : 28th May, 2018

For and on behalf of the Board of

M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan

Director

DIN : 02703392

K.T.V. Kaladhar

Chief Financial Officer

M. Kalyan Ram

Whole Time Director

DIN : 02012580

Ch. Varun Kumar

Company Secretary

M.No. : A31280

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

Particulars	Current Year ₹	Previous Year ₹
A. Cash Flow from Operating Activities:		
Net Profit Before Tax	40,173,230	28,449,072
Adjustments for:		
Depreciation	46,393,684	39,013,076
Interest expenses	23,674,875	12,888,015
Operating Profit before Working Capital Changes	110,241,789	80,350,162
Working Capital Changes		
Trade and Other Receivables	(53,547,288)	(82,000,170)
Trade payables	86,930,725	(38,714,255)
Cash Generated from Operations	143,625,226	(40,364,263)
Interest paid	23,674,875	12,888,015
Taxation for the year	8,848,079	3,311,553
Net Cash from Operating Activities	111,102,272	(56,563,830)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(47,167,759)	(118,430,297)
Net Cash used in Investing Activities	(47,167,759)	(118,430,297)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	15,000,000	-
Net Proceeds from Long Term Borrowings	(49,344,990)	68,311,250
Net Cash used in Financing Activities	(34,344,990)	68,311,250
Net increase in cash and cash equivalents	29,589,523	(106,682,877)
Cash and Cash equivalents as at 01.04.2017	11,920,596	118,603,473
Cash and Cash equivalents as at 31.03.2018	41,510,118	11,920,596

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 PCN & ASSOCIATES
(Formerly known as Chandra
Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No. 016016S

Chandra Babu M
Partner
Membership No. 227849
Place : Hyderabad
Date : 28th May, 2018

For and on behalf of the Board of
M/s Vivo Bio Tech Limited

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Whole Time Director
DIN : 02012580

Ch. Varun Kumar
Company Secretary
M.No. : A31280

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Corporate Information

Vivo Bio Tech is a full service CRO offering drug development & discovery services to pharmaceutical & biotech companies world-wide in accordance with OECD - GLP, AAALAC & IND guidelines. The company offers services in the areas of *In vivo* & *In vitro* toxicity studies, Pharmacological investigations, Pharmacokinetic & toxicokinetic studies, Genotoxicity screening, Analytical services etc. Our experienced & talented scientists offer advice on defining drug development paths tailored to specific molecules.

Our Scientific team provides both regulatory and non-regulatory IND enabling preclinical development services. We are capable of screening & evaluating molecules for various pharmacological & therapeutic properties. Specifically for oncology, our scientists can provide design & development of syngeneic / xenograft models for evaluation of anti-cancer agents. Further, our scientists can customize *In vivo* DMPK studies to help profile your drug candidate in both rodent and non-rodent animal models.

Vivo Bio has partnered with Taconic Biosciences for sourcing foundation and expansion colonies of the SPF rodent models and have started in-house breeding & trading. Vivo Bio has also partnered with Cyagen Biosciences to provide easy access to Genomic Technologies to Indian Biomedical R&D.

2. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) **Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

(ii) **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell; and
- Defined benefit plans – plan assets measured at fair value;

3. Basis of Consolidation:

The Consolidated Financial statements include the financial statements of M/s. Vivo Bio Tech Limited (“VBTL” or the “parent company”), Vivo bio Labs Private Limited (referred as “the Company”), Vivo bio Discovery Services Private Limited and Surlogic Life Consultancy Private Limited (referred as “the Company”), in which the parent company has more than one-half of the voting power of an enterprise.

The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the parent company and the subsidiaries have been combined 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/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- (ii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- (iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstance.

2.1 Summary of significant accounting policies

I. Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

Use of estimation and assumptions

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements.

Income tax

The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is applied as per the Schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Employee Benefits- Measurement of Defined Benefit Obligation

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits.

Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives in years are as under:

Plant and Machinery	1 to 25
Computers and equipment	3 to 6
Furniture & fixtures	10 to 15
Vehicles	8 to 10
Office equipment	5 to 15

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

II. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The company amortizes Computer software using the straight-line method over the period of 4 years.

III. Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Subsequent Measurement:

(i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI.

Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI.

The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the statement of profit and loss.

(iv) Investment in subsidiaries, joint ventures & associates are carried at cost in the separate financial statements.

Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

(i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- The contractual right to receive cash flows from financial asset is expired or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

IV. Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

V. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

VI. Share Capital

Equity shares are classified as equity.

VII. Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

Subsequent measurement – at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de recognised, and through the amortization process.

De recognition

A financial liability is de recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

VIII. Employee Benefits

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development.
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-

measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

IX. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation

authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when as inflow of economic benefits is probable

XI. Fair Value Measurements

Company uses the following hierarchy when determining fair values:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and,

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs.

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

XII. Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects GST, service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is considered fixed and generally title has passed.

Insurance Claims

Insurance claims are recognized on acceptance / receipt of the claim.

Interest

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

XIII. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

XIV. Related Party Disclosures

The Company furnishes the details of Related Party Disclosures as required by Companies Act 2013 and Indian Accounting Standard (IND AS)- 24.

XV. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XVI. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

Note Number : 1
CONSOLIDATED FIXED ASSETS AS ON 31ST MARCH, 2018

Sl.	Particulars	Gross Block		Depreciation / Amortization		Net Block			
		As on 01.04.2017	Additions during the year	As on 31.03.2018	As on 01.04.2017	Depreciation During the Period	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
I.	TANGIBLE ASSETS								
	Land	26,993,498	-	26,993,498	-	-	26,993,498	26,993,498	26,993,498
	Plant & Machinery	10,016,894	6,459,103	16,475,997	2,517,348	1,482,765	12,475,884	7,499,546	5,378,351
	Electrical Equipment	9,221,087	1,355,536	10,576,623	3,591,693	952,729	6,032,201	5,629,394	1,956,101
	Laboratory Equipment	261,810,285	10,333,530	272,143,815	86,951,838	29,254,232	155,937,745	174,858,447	123,168,003
	Office Equipment	5,085,616	-	5,085,616	3,540,008	324,597	1,221,011	1,545,608	611,121
	Computers	4,914,626	180,000	5,094,626	2,239,421	1,097,878	1,757,327	2,675,205	379,167
	Furniture	6,019,730	-	6,019,730	3,086,751	659,988	2,272,991	2,932,979	2,839,253
	Vehicles	16,611,318	-	16,611,318	8,386,254	1,810,180	6,414,884	8,225,064	10,038,421
	Sub Total (a)	340,673,054	18,328,169	359,001,223	110,313,313	35,582,369	213,105,541	230,359,741	171,363,914
II.	Intangible Assets								
	Technical Know How	93,506,244	19,000,000	112,506,244	39,593,918	10,364,942	62,547,383	53,912,325	63,309,247
	Computer Software	6,548,149	-	6,548,149	5,143,138	446,373	958,637	1,405,010	770,417
	Sub Total (b)	100,054,393	19,000,000	119,054,393	44,737,056	10,811,315	63,506,020	55,317,335	64,079,664
	Capital Work In Progress	29,603,205	9,839,590	39,442,795	-	-	39,442,795	29,603,205	--
	Grand Total (a+b+c)	470,330,652	47,167,759	517,498,411	155,050,369	46,393,684	316,054,356	315,280,281	235,443,578

Notes to the financial statements for the year ended 31 March 2018

NOTE NO. 2 : OTHER NON - CURRENT ASSETS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Unamortised Expenses	390,553	261,106	360,337
Total Other Non Current Assets	390,553	261,106	360,337

NOTE NO. 3 : INVENTORIES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Stock, Stores and spares	75,862,445	45,585,882	40,814,026
Total Inventories	75,862,445	45,585,882	40,814,026

NOTE NO. 4 : TRADE RECEIVABLES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Secured, Considered Good below 6 months	29,095,133	76,658,708	38,190,757
Above 6 months	88,669,712	-	-
Total Trade Receivables	117,764,845	76,658,708	38,190,757

NOTE NO. 5 : CASH AND BANK BALANCES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Cash and cash equivalents :			
a) Balances with banks :			
1) On Current Accounts	33,438,345	263,141	7,141,623
b) Cash on hand	195,878	240,317	151,162
Sub Total	33,634,223	503,458	7,292,785
Other Bank Balances			
On Deposit Accounts			
a) Having Maturity more than 12 Months from date of deposit	7,875,894	11,417,136	111,310,686
Sub Total	7,875,894	11,417,136	111,310,686
Total Cash and Cash Equivalents	41,510,117	11,920,594	118,603,471

NOTE NO. 6 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Other loans And advances			
Secured	-	-	-
Refundable Rent Deposit	22,950,460	22,950,460	
Other Deposits	-	5,107,568	3,830,018
Unsecured	15,183,906	14,682,419	2,912,365
Total short term loans & advances	38,134,366	42,740,448	6,742,383

NOTE NO. 7 : OTHER CURRENT ASSETS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
GST Credit and TDS Receivable	5,385,610	18,744,387	15,995,547
Total Other Current Assets	5,385,610	18,744,387	15,995,547

NOTE NO. 8 : SHARE CAPITAL

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
AUTHORISED:			
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP			
98,50,520 Equity shares of Rs.10/- each	98,505,200	93,505,200	93,505,200
Total Share Capital (Equity)	98,505,200	93,505,200	93,505,200

The company has only one class of shares referred to as Equity Shares having at par value of Rs.10/- each.

The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	No. of shares	No. of shares	No. of shares
Equity Shares at the Beginning	9,350,520	93,50,520	93,50,520
Add: Issued during the year	500,000	-	-
Equity Shares at the end of the year	9,850,520	9,350,520	9,350,520

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

Name of the Shareholder	As on 31.03.2018 No. of Shares	As on 31.03.2017 No. of Shares	As on 01.04.2016 No. of Shares
Northern Union Ltd	1,035,000	10,35,000	10,35,000
Max Cell Phone Communications India Pvt Ltd	8,00,000	8,00,000	8,00,000
Vira Systems Pvt Ltd	13,45,000	13,45,000	13,45,000
Iron Age India Limited	6,00,000	6,00,000	6,00,000
Iragavarapu Constructions Pvt Ltd	6,00,000	6,00,000	6,00,000
P.K.I Solutions Pvt Ltd	6,00,000	6,00,000	6,00,000
Every Wear Import and Export Pvt Ltd	916,693	13,50,000	13,50,000
Elite Class Asset Holdings Ltd	13,00,000	13,00,000	13,00,000

NOTE NO. 9 : OTHER EQUITY

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
RESERVES AND SURPLUS			
Securities Premium			
As at the commencement of the year	15,840,000	15,840,000	15,840,000
Add: Additions during the year	10,000,000	-	-
As at end of the year	25,840,000	15,840,000	15,840,000
General Reserves			
As at the commencement of the year	1,000,000	1,000,000	1,000,000
As at end of the year	1,000,000	1,000,000	1,000,000
Capital Reserve			
As at the commencement of the year	29,289,102	29,289,102	29,589,100
Add: Additions during the year	(200,909)	(197,622)	(197,622)
As at end of the year	29,088,193	29,091,480	29,091,478
Surplus			
As at the commencement of the year	(13,682,675)	(38,820,193)	(47,902,934)
Add: Additions during the year (Transfer from Profit & Loss a/c)	31,325,151	25,137,518	9,082,742
As at end of the year	17,642,476	(13,682,675)	(38,820,192)
Total Reserves and Surplus	73,570,669	32,248,805	7,111,286

NOTE NO. 10 : LONG TERM BORROWINGS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Term loans:			
From banks:			
Secured			
Vehicle Loans	1,366,478	2,973,825	5,449,315
Term Loans	54,884,668	72,980,355	-
b) Other loans and advances			
Biotech Consortium India Ltd. A/c SBIRI	13,458,000	15,701,000	17,994,000
Unsecured	69,324,235	117,719,904	-
Total long term borrowings	139,033,381	209,375,084	23,393,315

NOTE NO. 11 : LONG TERM PROVISIONS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Provision for employee benefits			
Provision for Gratuity	3,058,239	2,502,805	2,030,215
Total Long Term Provisions	3,058,239	2,502,805	2,030,215

NOTE NO. 12 : DEFERRED TAX LIABILITY

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Opening Deferred tax Liability	7,817,914	8,405,859	11,188,502
Add:			
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(1,987,095)	(1,396,132)	(2,155,307)
Deferred Tax Liability for the year (Due to Others)	(206,450)	808,188	(627,336)
Deferred Tax Liability/ (Asset) - Net	5,624,369	7,817,915	8,405,859

NOTE NO. 13: SHORT TERM BORROWINGS

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
Loans repayable on demand:			
From banks			
Secured	82,043,910	40,057,007	28,050,004
(Hypothecation of Stock and Book Debts, Personal Gurantee of Promoters of the company & Equitable Mortgage of Lands)			
Term Loan repayable in next 12 months	20,000,000	21,170,134	-
Unsecured			
Term Loan repayable in next 12 months	10,097,569	-	-
Total short term borrowings	112,141,479	61,227,141	28,050,004

NOTE NO.14 : TRADE PAYABLES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Trade Payables	79,800,329	54,007,721	87,463,132
Total Trade Payables	79,800,329	54,007,721	87,463,132

NOTE NO.15 : OTHER CURRENT LIABILITES

Particulars	As at 31/3/2018 ₹	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Other Payables (Creditors for Expenses & Equipment)	34,681,041	39,197,491	194,933,031
Total other current liabilities	34,681,041	39,197,491	194,933,031

NOTE NO. 16 : SHORT TERM PROVISIONS

Particulars	As at 31/3/2018	As at 31/3/2017 ₹	As at 01/04/2016 ₹
a) Provisions for employee benefits			
Provident Fund	428,374	439,253	373,129
Salaries	8,323,572	4,122,404	3,435,841
Director Remuneration	57,167	24,367	24,167
b) Others			
Statutory Liabilities	14,860,277	4,807,948	879,131
Provision for Expenses	2,047,196	1,915,272	6,965,271
Consultancy Charges	1,971,000	-	-
Total short term provisions	27,687,586	11,309,244	11,677,539

NOTE NO. 17 : REVENUE FROM OPERATIONS

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
Revenue from Operations	470,011,673	341,279,531
Total Revenue from Operations	470,011,673	341,279,531

NOTE NO. 18 : OTHER INCOME

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
(a) Interest income	1,334,995	2,888,027
(b) Other Income (Interest on IT Refund)	-	1,068,260
Total Other Income	1,334,995	3,956,287

NOTE NO. 19 : CHANGE IN INVENTORIES & WIP.

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
Finished Goods		
Finished goods at the beginning of the year	45,585,882	40,814,026
Less : Finished goods at the end of the year	(75,862,445)	(45,585,882)
Total Change in Inventories & WIP	(30,276,563)	(4,771,856)

NOTE NO. 20 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
(a) Salaries & Wages	70,222,762	48,873,671
(b) Contribution to Provident & Other Funds	4,048,111	4,800,485
(c) Staff Welfare Expenses	1,581,446	1,276,909
Total Employee Benefit Expenses	75,852,319	54,951,065

NOTE NO. 21 : ADMINSTRATIVE AND OPERATING EXPENSES

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
(a) Power & Fuel	28,735,356	29,103,468
(b) Rent	55,395,482	52,815,605
(c) Repairs to Machinery	2,251,064	2,138,767
(d) Insurance	4,465,359	285,017
(e) Telephone, Postage and Others	2,626,991	978,086
(f) Business Promotion Expenses	1,870,416	4,720,986
(g) Travelling Expenses	4,706,069	8,042,854
(h) Office Maintenance	12,216,801	15,400,608
(i) Printing & Stationery Expenses	980,009	1,197,517
(j) Rates & Taxes	15,568,169	1,822,442
(k) Managerial Remuneration	717,204	336,204
(l) Consultancy Charges	37,479,902	11,135,922
(m) Provision for Bad Debts	22,167,428	-
(n) Seminar Fee	91,500	508,575
(o) Net loss on foreign currency transaction	306,244	32,961
(p) Payment to Auditors:		
(i) As Auditor	103,950	92,250
Total Other Expenses	189,681,944	128,611,262

NOTE NO. 22 : FINANCE COST

Particulars	Year Ended 31/3/2018 ₹	Year Ended 31/3/2017 ₹
Interest on Working Capital & Bank Charges	23,674,875	12,888,015
Total Finance Cost	23,674,875	12,888,015

As per Our Report of Even Date
For PCN & ASSOCIATES
 (Formerly known as Chandra
 Babu Naidu & Co.,)
 Chartered Accountants
 Firm Registration No. 016016S

Chandra Babu M
 Partner
 Membership No. 227849
 Place : Hyderabad
 Date : 28th May, 2018

For and on behalf of the Board of
M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan
 Director
 DIN : 02703392

K.T.V. Kaladhar
 Chief Financial Officer

M. Kalyan Ram
 Whole Time Director
 DIN : 02012580

Ch. Varun Kumar
 Company Secretary
 M.No. : A31280

Note: 23

Stocks are valued at cost or realisable value whichever is less. Since company is breeding and trading activity of Rodents hence the value of rodents in stock valued at marketable price.

Note: 24**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	2017-18	2016-17
Profit available for the equity share holders	3,13,25,151	2,51,37,518
No. of equity shares outstanding for EPS-Basic	98,50,520	93,50,520
No. of equity shares outstanding of EPS-Diluted	98,50,520	93,50,520
Basic	3.18	2.69
Diluted	3.18	2.69

NOTE: 25

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

NOTE: 26

Confirmations were not obtained from debtors/creditors.

NOTE: 27

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/IVRD/2740/2010. 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: 28

The company has taken lease of 12,500 sft area, at prevailing market rates, from M/s.Virinchi Limited for R&D division in which Promoters are common.

NOTE : 29**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 Services Pvt Ltd

b) Key Management Personnel:

S.NO	NAME	Designation
1	M. Kalyan Ram	Whole Time Director
2	K T V Kaladhar	Chief Financial Officer
3	Ch. 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	7,17,204	3,36,204
Virinchi Ltd	Lease Rental paid	30,00,000	30,00,000

Note: 30

Previous year's figures have been regrouped wherever necessary.

Note: 31

The figures have been rounded off to the nearest rupee.

As per our report of even date.

For PCN & ASSOCIATES

(Formerly known as Chandra
Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No. 016016S

Chandra Babu M
Partner
Membership No. 227849

Place : Hyderabad
Date : 28th May, 2018

For and on behalf of the Board of
M/s Vivo Bio Tech Limited

Dr. A. Sakaranarayanan
Director
DIN : 02703392

K.T.V. Kaladhar
Chief Financial Officer

M. Kalyan Ram
Whole Time Director
DIN : 02012580

Ch. Varun Kumar
Company Secretary
M.No. : A31280

M/s VIVO BIO TECH LIMITED

8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No. 1,
Banjara Hills, Hyderabad, Telangana - 500034

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:	

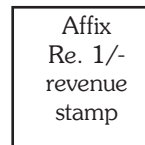
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on Friday the 28th day of September, 2018 at 1.00 P.M. at 8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No. 1, Banjara Hills, Hyderabad, Telangana - 500034; resolutions as are indicated below.

S. No.	Resolutions	For	Against
1.	Consider and adopt audited financial statements as at 31.03.2018 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 Dr.A. Sankaranayanan who retires by rotation, and being eligible, offers himself for re-appointment.		
3.	To ratify issue of 33,00,000 Convertible Warrants on Preferential Basis.		
4.	To increase the authorised Share Capital of the Company from Rs. 15 crores to Rs. 16 Crores.		
5.	Adoption of new Articles of Association of the Company.		
6.	Alteration of Memorandum of Association of the Company.		
7.	Investment(s) Loans, guarantees and security in excess of limits, spcified under section 186 of the Companies Act, 2013.		

Signed this..... day of..... 2018.

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.

M/s VIVO BIO TECH LIMITED

8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No. 1, Banjara Hills,
Hyderabad, Telangana - 500034
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

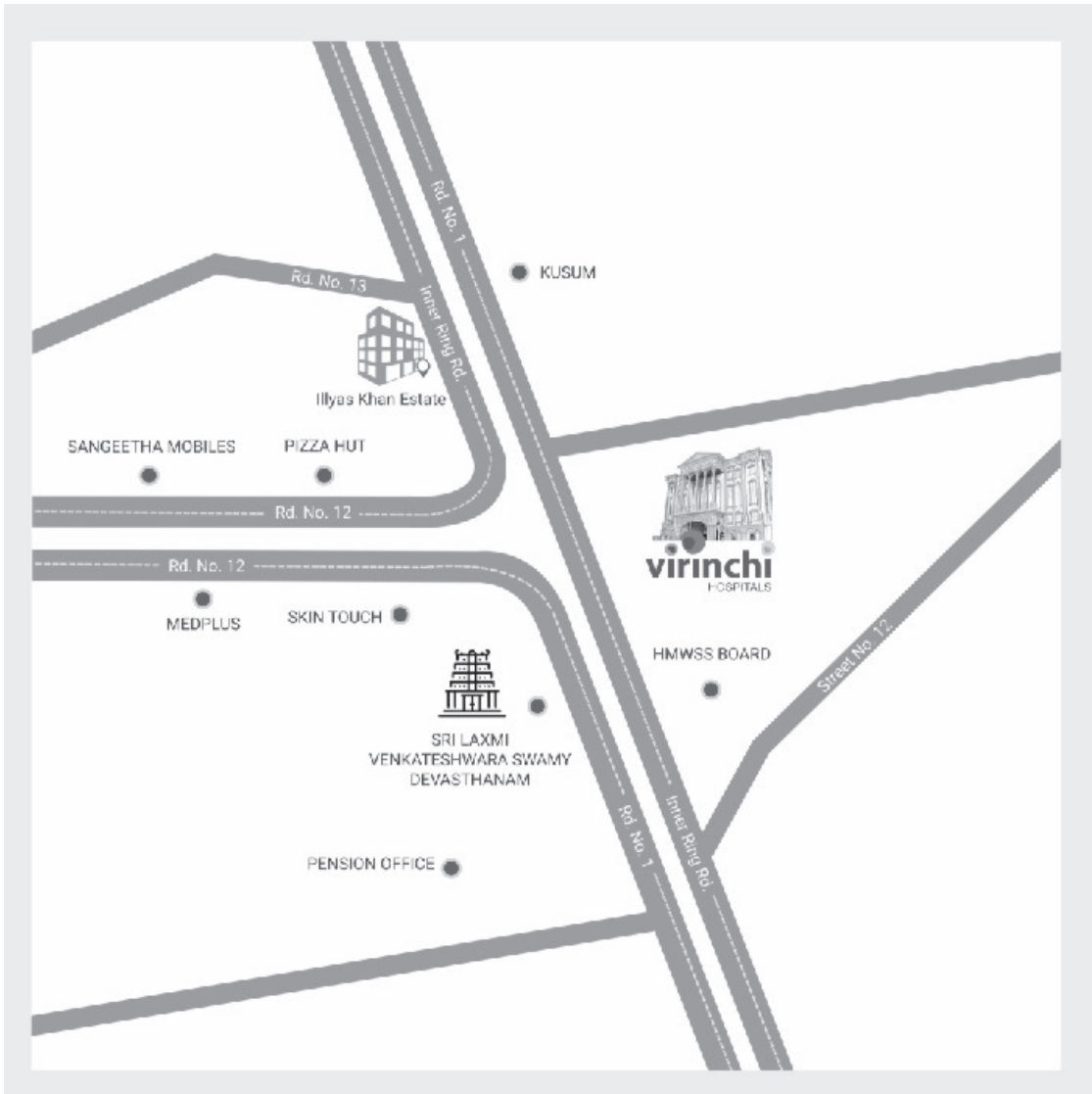
NAME OF THE PROXY : Mr/ Mrs/Miss.....

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

I hereby record my presence at the 31st Annual General Meeting of the Company to be held **on Friday the 28th September, 2018 at 1.00 P.M. at the 8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills Hyderabad, Telangana-500034.**

Member's / Proxy's Signature

Route Map to the Venue of 31st AGM



VIVO BIO TECH LIMITED

Registered Office Address: 8-2-672/5&6, 3rd Floor,
Ilyas Mohammed Khan Estate, Road No.1, Banjara Hills, Hyderabad - 500034.

CIN: L65993TG1987PLC007163

This is intended to bring to your notice that the Securities and Exchange Board of India (SEBI) has directed listed entities to seek the copy of PAN Card and Bank Account details from the shareholders with the objective of streamlining the processes relating to maintenance of records, transfer of securities and for payment of dividend/interest/redemption amounts to shareholders vide its circular no. SEBI/HO/MIR SD/DOP1/ CIR/P/2018/73 dated April 20, 2018.

Therefore, we request your assistance in providing the following details for our records, which shall be linked to your respective folio:

1. Name of the Shareholder :
2. Folio No.:
3. Self-attested copy of PAN Card:
4. Address of the Shareholder with self attested Proof:
5. Original Cancelled Cheque leaf of the account holder / Attested Bank Passbook showing the Bank Account Number and Name of the Account Holder duly attested by the Bank.
6. Share holder Contact, Phone No., Mobile No./Land Line No. and email id.

Kindly post/ courier/ hand deliver the above mentioned documents duly signed by the shareholder including joint holders if any, to the Company's Share Transfer Agent Address as mentioned below

STA Address:

AARTHI CONSULTANTS PVT LTD

Unit:VIVO BIO TECH LIMITED

1-2-285, DOMALGUDA, HYDERABAD - 500 029.

PHONE:040-27634445/38111/42217,66611921, FAX:27632184

E-mail : info@arthiconsultants.com

Shareholders are requested to also email the scan copy of the same on info@arthiconsultants.com.

Important Note:

Shareholders who have their shares in physical form are required to submit above details via post/courier/ hand deliver the documents

Further, We would also like to inform you that as per the amendment to the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, dated June 8, 2018 and as per the Circular No. LIST/COMP/15/2018-19 dated July 05, 2018, the transfer of securities would be carried out in dematerialized form only w.e.f. December 5, 2018. You are accordingly advised to dematerialize your physical shareholding at earliest. After December 5, 2018, no request for transfer of shares in physical form can be processed by the Company/RTA. In order to dematerialize your shares, please open a Demat Account with any of the Depository Participant and submit your physical share certificate(s) with them for dematerialization to avoid inconvenience at later stage. An early action in the matter will save you from unnecessary hassle at a later date.

Yours Faithfully

For VIVO BIO TECH LIMITED

Sd/-

Ch Varun Kumar

Company Secretary

M.No.A31280

BOOK POST

If undelivered please return to

Vivo Bio Tech Ltd.

8-2-672/5&6, 3rd Floor

Ilyas Mohammed Khan Estate

Road no.1, Banjara Hills

Hyderabad, Telangana - 500034