

Date: 29/09/2017

Deputy Manager  
Dept. of Corporate Services,  
Bombay Stock Exchange Limited  
P J Towers, Dalal Street,  
Fort, MUMBAI – 400001

Dear Sir/Madam,

Sub: Annual Report for the financial year 2016-17

Ref: Regulation 34 of SEBI (LODR) Regulations, 2015; Script Code# 511509

With reference to subject cited above we are hereby enclosing the Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your record and reference.

Thanking you,

Yours faithfully,

For Vivo Bio Tech Limited

Ch Varun Kumar  
Company Secretary  
M.No.A31280





**Vivo Bio Tech Ltd.**  
Your Drug Discovery Partner

**30<sup>th</sup>**  
ANNUAL REPORT  
**2017**

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## CONTENTS

Board of Directors	02
Message from the CEO	03
Notice	04
Directors Report	17
Extract of Annual Return	28
Secretarial Audit Report	36
Corporate Governance Report	48
Management Discussion and Analysis Report	64
Auditors Report	68
Balance Sheet	74
Statement of Profit and Loss	75
Cash Flow Statement	76
Significant Accounting Policies	77
Notes forming part of the Balance Sheet and Statement of Profit and Loss	80
Consolidated Financial Statments	91

30th Annual General meeting on Thursday, 28<sup>th</sup> Day of September, 2017 at 2.30 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.

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**Registered office:**

8-2-672/5&6, 3rd Floor, Ilyas Mohammed Khan Estate, Road No.1, Banjara Hills, Hyderabad, Telangana - 500034  
Phone : 040-65090006

**Auditors**

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

**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**

CEO & Director

**Kunasingam V Sittampalam**

Independent Director

**Sunder Kanaparthi**

Independent Director

**Hariharan R**

Independent Director

**M Vijaya Lakshmi**

Additional Director

**Sharmistha Manna**

Independent Director  
(Resigned w.e.f. 26th April, 2017)

**Challapalli Varun Kumar**

Company Secretary

**Srinivasu Padala**

Chief Financial Officer  
(Resigned w.e.f. 19th July, 2017)

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## Message from CEO

The practice of outsourcing preclinical testing has grown substantially over the last few years. The main driver for this process comes from the fact that many organizations, such as Big Pharma and start-up companies, consider preclinical testing no longer a core competence. In this context, a financial year as the one gone by, asserts the confidence on solid investments made by the company, which shall now form the bulwark of long term stable revenue momentum. Specifically, I congratulate you and the entire Vivo Bio Tech family on maintaining continued GLP certification and AAALAC accreditation making us at par with all International accredited preclinical laboratories. Further, we continue to hold the major market share and status as the largest suppliers of Specific Pathogen Free (SPF) laboratory rodents. During this year, your company also had established major partnerships with premier multinational companies. These include – authorized breeder & distributor of custom rodent models and services of Cyagen Biosciences, Inc (USA) and authorized distributor of lab animal diets of Special Diets Services (UK). Also, your company has now sourced SPF Guinea Pig breeders from Elm Hill Labs (USA) and in the process of establishment of commercial supply of SPF Guinea Pigs to biomedical industry in India. Your company anticipates a significant increase in the revenue from the last quarter of next financial year through these new product & service streams.

### Outlook FY2017

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, new partnerships in custom rodent models, genomic technologies, lab animal diets, SPF Guinea Pigs and high acceptance of specific pathogen laboratory rodents across the Indian market, we are confident of achieving significant revenue growth on back of long term sustainable technological advantage. I personally thank our bankers, our shareholders and our employees for their continued trust and consistent confidence in Vivo Bio Tech.

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

## NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on Thursday, the 28<sup>th</sup> day of September, 2017, at 2.30 PM 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, 2017, 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, 2017, together with the Report of the Auditors thereon.

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

#### 3. Appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution: **“RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies(Audit and Auditors) Rules, 2014 as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Chandra Babu Naidu & Co, Chartered Accountants (Firm Reg. No. 016016S) be and is hereby appointed as statutory auditors of the company in place of the retiring auditors M/s. P.Murali & Co., Chartered Accountants (Firm Registration No. 007257S) to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 35<sup>th</sup> AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act ) at such remuneration and out of pocket expenses as may be decided by the Board of Directors of the company.”

### Special Business:

#### 4. Appointment of M Vijaya Lakshmi as Director of the Company

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

**“RESOLVED THAT** Ms. M Vijaya Lakshmi (DIN 07803294), who was appointed as an Additional Director of the Company with effect from 26<sup>th</sup> April, 2017 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a member, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.”

#### 5. Appointment of Ms. M Vijaya Lakshmi (DIN 07803294) as an Independent Director

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, Ms. M Vijaya Lakshmi (DIN 07803294), a non-executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 26<sup>th</sup> April, 2017, not liable to retire by rotation.”

#### **6. Issue of 45,00,000 Convertible Warrants on Preferential Basis:**

To consider and, if thought it to pass with or without modification(s), the following resolution as a 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 the Board to offer, issue, and allot in one or more tranches up to 45,00,000 (Forty Five Lakhs) convertible warrants to the promoters (whose names shall be recorded by the company in the manner set out in Sec 42(7) of the Companies Act, 2013 read with the respective Rules) 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** the pricing of the equity shares/convertible warrants to be allotted is in accordance with the SEBI (ICDR) Regulations with reference to the ‘Relevant Date.’ The “relevant date” for the purpose of pricing of equity shares and convertible warrants is 29<sup>th</sup> August, 2017 (i.e., thirty days prior to the date of General Meeting-28<sup>th</sup> September, 2017).

**RESOLVED FURTHER THAT** the new equity shares/warrants shall rank pari-passu with the existing Equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the

allotment of Equity Shares.”

**RESOLVED FURTHER THAT** the aforesaid equity shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment(s) thereto from time to time.”

**RESOLVED FURTHER THAT** the aforesaid warrants shall be in accordance with the following terms and conditions:

- A warrant by itself shall not give to a warrant holder thereof, any rights of the shareholder of the company.
- In the event, the equity shares of the company are either sub-divided or consolidated before the conversion of the warrants into equity shares of the company, then the face value, the number of equity shares to be acquired on conversion of the warrants and the warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the equity shares of the company bears, to the newly sub-divided / consolidated equity shares without affecting any right or obligation of the said warrant holders: and
- In the event, the company’s equity capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the company, tender offer for equity shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid warrants shall be made by the company and such other action as may be deemed necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price, subject to necessary approvals.

**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/convertible 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.”

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

Place : Hyderabad  
Date : 28<sup>th</sup> August, 2017

**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, 2017 to 28th September 2017 (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. Aarhi Consultants Private Ltd, Unit: Vivo Bio Tech Limited, 1-2-285, Domalguda, Hyderabad-500 029 Email-[info@aarhiconsultants.com](mailto:info@aarhiconsultants.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. Aarhi 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 30th 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 30<sup>th</sup> 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 30<sup>th</sup> AGM and the Annual report for the FY 2016-17 will be available on the company's website i.e., [www.vivobio.com](http://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 30<sup>th</sup> Annual General Meeting (AGM) to be held on 28.09.2017. 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 Monday, 25<sup>th</sup> September, 2017 at 9.00 a.m. and ends on Wednesday, 27<sup>th</sup> September, 2017 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 21<sup>st</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

(a) Instructions for e-voting

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

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

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence</li> </ul>

	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](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

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

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

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

Place : Hyderabad  
Date : 28<sup>th</sup> August, 2017

**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	<b>M Kalyan Ram</b>
Date of Birth	24/06/1978
Date of Appointment	29 <sup>th</sup> July,2016
Qualifications:	MBA
Expertise in Specific Functional Areas:	He has 16 years of experience in the field of Accounting, finance and Administration
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	There is no relationship with other directors on the board
2. Name	<b>M. Vijaya Lakshmi</b>
Date of Birth	23/06/1985
Date of Appointment	26 <sup>th</sup> April,2017
Qualifications:	MBA
Expertise in Specific Functional Areas:	She has 10 years' experience across multiple industries in the areas of <ul style="list-style-type: none"><li>• Accounting</li><li>• Financial analysis</li><li>• Taxation</li></ul>
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	There is no relationship with other directors on the board

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

### **Item #4:**

Ms. M Vijaya Lakshmi, was appointed as an Additional Director of the Company with effect from 26<sup>th</sup> April, 2017 by the Board of Directors under Section 161, 149 (1) of the Act. In terms of Section 161(1) of the Act, Ms. M Vijaya Lakshmi office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a member, signifying intention to propose Ms. M Vijaya Lakshmi as a Director. The Directors are of the view that the appointment of Ms. M Vijaya Lakshmi, as Director will be beneficial to the operations of the Company and hence said resolution being placed before the members for their approval.

Except Ms. M Vijaya Lakshmi, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

### **Item #5:**

Ms. M Vijaya Lakshmi, being eligible and offers herself for appointment as Independent Director of the company. It is proposed to be appointed as Independent Directors for five (5) consecutive years commencing from 26<sup>th</sup> April, 2017 respectively.

Except Ms. M Vijaya Lakshmi, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 respectively of the Notice.

Your Board recommends the resolution set out in Item No.5 for approval of the members as Ordinary resolution.

### **Item #6 :**

#### **Issue of equity shares and convertible warrants to the promoters on preferential basis:**

The Company is in need of funds to meet working capital requirements and general corporate purposes and therefore it is proposed to issue convertible warrants on preferential basis to the promoters.

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares/warrants, such shares/warrants shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

The Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to is as stated below. As per Section 42 and 62 and other applicable provisions if any of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, consent of the shareholders is sought for issuing the equity shares and convertible warrants as stated in the resolution on a preferential basis

**(I) Object of the Issue through preferential Allotment:**

To meet working capital requirements and general corporate purposes.

**(II) Pricing of the Issue and Relevant Date:**

Convertible warrants will be issued at the price determined by the board of Directors in accordance with the preferential issue guidelines given in SEBI (ICDR) Regulations and subsequent amendments thereto which is based on the relevant date i.e., 29.08.2017, which is thirty days prior to the date of Annual General Meeting (28.09.2017).

**(III) The proposal of the promoters and other investors of the issuer to subscribe to the offer:**

The proposed allottees would fall under the Promoters category as mentioned under point No.(IV). The said allottees propose to subscribe for 45,00,000 convertible warrants. The requirement of issue of securities on preferential basis is necessitated to fulfill the objects as mentioned in point No.I.

**IV) Identity of the natural persons who are the ultimate beneficial owners of the convertible warrants proposed to be allotted and/or who ultimately control; the proposed allottees and percentage or pre and post preferential issue capital that may be held by them:**

All the proposed allottees as furnished in the table are the ultimate beneficial owners of the warrants/shares.

**List of allottees :**

S.No	Identity of Proposed Preferential Allottee	Category to be allotted	Convertible warrants proposed
1	Satyajet Prasad	Public & Strategic Investor	2,00,000
2	Vishal Ranjan	Public & Strategic Investor	2,00,000
3	PKI Solutions Private Limited	Promoter	12,00,000
4	Mallemkonda Realities Private Limited	Public & Strategic Investor	11,00,000
5.	Magadha Infracon Private Limited	Public & Strategic Investor	9,00,000
6.	More Agri Supplies & Services Private Limited	Public & Strategic Investor	9,00,000
		<b>Total</b>	<b>45,00,000</b>

## Pre and post issue shareholding of proposed allottees

Pre issuing Holding				Post issue holding on conversion		
Identity of Proposed Preferential Allottee	Category	Pre issue holding	% of shares	No. of warrants proposed to be allotted	No. of Shares after warrants conversion	% of shares on conversion
Satyajet Prasad	Public & Strategic Investor	NIL	NIL	2,00,000	2,00,000	1.44
Vishal Ranjan	Public & Strategic Investor	NIL	NIL	2,00,000	2,00,000	1.44
PKI Solutions Private Limited	Promoter	6,00,000	6.42	12,00,000	18,00,000	13.00
Mallemkonda Realities Private Limited	Public & Strategic Investor	NIL	NIL	11,00,000	11,00,000	7.94
Magadha Infracon Private Limited	Public & Strategic Investor	NIL	NIL	9,00,000	9,00,000	6.50
More Agri Supplies & Services Private Limited	Public & Strategic Investor	NIL	NIL	9,00,000	9,00,000	6.50

**V.Shareholding pattern of the company before and after preferential issue. The present shareholding pattern and the shareholding pattern assuming full conversion of warrants into equity shares are given below:**

Category of Shareholder	Pre issue holding details		Post Issue Holding Details	
	No. of shares	% of Shares	No. of Shares	% of Shares
a) Indian	4471500	47.82	5671500	40.95
b) Foreign	NIL	NIL	NIL	NIL
Total (A)	4471500	47.82	5671500	40.95
Public Shareholding	4879020	52.18	8179020	59.05
Total (B)	4879020	52.18	8179020	59.05
Total (A+B)	9350520	100.00	13850520	100



## **VI. Proposed time with in which the allotment shall be completed:**

The allotment of convertible warrants shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable before allotment of the warrants. The convertible warrants would be allotted on the following terms:

- a. The holder of warrants will have an option to apply for and be allotted 1 (one) Equity Share of the Company per warrant, any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of convertible warrants, in one or more tranches.
- b. If the entitlement against the warrants to apply for the Equity Share is not exercised within the period specified, the entitlement of the Warrant holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- c. The warrant holder shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into Equity Shares by the Company, in the same proportion and manner as any other Members of the Company for the time being.
- d. The warrants by itself do not give to the holder thereof any rights of the Members of the Company.

## **VII. Approvals:**

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares/convertible equity warrants.

## **VIII. SEBI Takeover code:**

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

## **IX. Holding of shares in demat form, non disposal of shares by the proposed allottees and lock-in period of shares:**

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

## **X. Lock-in Period:**

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchange/s where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

## **XI. Auditor Certificate:**

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of equity shares is being made in accordance with the SEBI (ICDR) Regulations, 2009 is obtained and the same will be made available for inspection at the Registered office of the Company on any working day.

## **XII. Control:**

As a result of the proposed preferential allotment of equity shares/convertible warrants, neither there will be change in the composition of the Board of Directors and nor changes in control of the Company.

## **XIII. Undertakings:**

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- i) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- ii) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

## **XIV. Compliances:**

The company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957, maintaining a minimum of 25% of the paid up capital in the hands of the public.

## **XV. Disclosure regarding willful defaulter:**

Neither the issuer, nor its promoters and directors are willful defaulters.

## **XVI. Approval under the Companies Act:**

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares/warrants, such shares/warrants shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot warrants/equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and the others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

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.

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

Place : Hyderabad  
Date : 28<sup>th</sup> August, 2017

**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, 2017. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required

### Financial Highlights:

(Rs in Lakhs)

Particulars	2016-17	2015-16
Total Income	3452.36	2947.58
Profit before finance Cost, Depreciation, & Amortization, Taxation & Exceptional Item	802.55	460.01
Less: Finance Cost	128.88	46.57
Depreciation and Amortization Expenses	390.13	335.40
Profit Before Tax & Exceptional items	283.54	78.04
Less: Exceptional items	-	-
Profit before Tax	283.54	78.04
Less: Tax Expenses	33.15	(12.96)
Profit After Tax	250.39	91.00

### State of Affairs/Company's Performance.

**Revenues:** The total income of the Company for the FY 2016-17 comprises operating revenues of Rs.3452.36 lakhs as against Rs. 2947.58 Lakhs in FY 2015-16

**Profits:** Profit before Tax (PBT) stood at Rs. 283.54 Lakhs as against Rs 78.04 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 250.39 Lakhs as against Rs. 91.00 Lakhs for the previous year.

### RESERVES AND SURPLUS

During the year the Company has transferred an amount of Rs.250.39 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:

In accordance with the provisions of the Companies Act, 2013 Mrs. M Vijaya Lakshmi is appointed as an additional Director of the company at the board meeting held on 26th April, 2017. The company has received notice from the one of the shareholder proposing her as an independent Director of the Company.

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

#### **Cessations:**

Mrs. Sharmistha Manna, Director of the Company has resigned from the office of Directorship on 26th April, 2017

#### **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, there is no change in share capital of the company.

The paid up Equity Share capital of the company as on 31st March, 2017 was Rs. 93,50,5,200. During the year the company has issued any shares, the details of capital structure is detailed below.

Particulars	As at 31st March, 2017		As at March 31, 2016	
	Number of Shares	Rs.	Number of Shares	Rs
<b>Equity Shares</b>				
<b>Share capital</b>				
(a) Authorised Equity Shares of Rs.10/-each	93,50,520	9,35,05,200	93,50,520	9,35,05,200
b) issued Subscribed and fully paid up: Equity Shares of Rs. 10/-each	93,50,520	9,35,05,200	93,50,520	9,35,05,200
	93,50,520	9,35,05,200	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, 2017		As at March 31, 2016	
	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	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	93,50,520	9,35,05,200	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 31.03.2017		As on 31.03.2016	
	No. of Shares	%	No. of Shares	%
Iron Age India Limited	600000	6.42	600000	6.42
Vira Systems Private Limited	1345000	14.38	1345000	14.38
Maxcell Phones Communications India Private Limited	800000	8.56	800000	8.56
Iragavarapu Constructions Private Limited	600000	6.42	600000	6.42
PKI Solutions Private Limited	600000	6.42	600000	6.42
Every Wear Import and Export Pvt. Limited	1325787	14.18	1350000	14.44
Elite Class Asset Holdings Ltd	1300000	13.90	1300000	13.90
Northern Union Limited	1035000	11.07	1035000	11.07

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as “code of business conduct” which forms an Appendix to the Code.

The Code 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

Mr. M. Kalyan Ram, Whole Time Director, 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 on March 30, 2017 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](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 30<sup>th</sup> March, 2017 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 2016-17	
	Held	Attended
Sharmistha M	1	1
Hariharan R	1	1
K.V.Sittampalam	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, 2017, 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, 2017 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**

M/s. P Murali & Co ., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and M/s. Chandra Babu Naidu & Co., Chartered Accountants are appointed as statutory auditors of the company for a period of 5 Years from the conclusion of this AGM i.e., from financial year 2017-18 to till the conclusion of AGM to be held in the financial year 2021-22, subject to ratification in every AGM.

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.

### **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**

**Seven 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**

## **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.

### **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

### **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 of 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, 2017) and the date of the report (August 28, 2017).

### **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**

Date : 28.08.2017  
Place : Hyderabad.

**M. Kalyan Ram**  
Chairperson & 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the company
1	M Kalyan Ram Whole Time Director	3.36	4.67%	1.04	Profit before Tax increased by 363% and Profit After Tax increased by 273% in financial Year 2016-17
2	Srinivasu Padala Chief Financial Officer	3.66	-	1.13	
3	Challapalli Varun Kumar Company Secretary	6.20	24%	1.91	

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. 3.24 lakhs;
- iii) In the financial year, there was increase of 42.39% in the median remuneration of employees;
- iv) There were 183 employees on the rolls of Company as on March 31, 2017
- v) Relationship between average increase in remuneration and company performance: - The Profit before tax for the financial year ended March 31, 2017 increased by 273 % whereas the decrease in median remuneration was 42.39 %
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel was Rs. 13.22 lakhs whereas the Profit before tax was Rs. 283.54 lakhs in 2016-17
- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2017 at BSE was Rs.9350.52lakhs (Rs. 3833.71 lakhs as on March 31, 2016)

- 
- b) Price Earnings ratio of the Company at BSE was 37 as at March 31, 2017 and was 42 as at March 31, 2016;
  - viii) Average percentage increase made in the salaries of employees other than the managerial personnel was 42.39% whereas the increase in the managerial remuneration for the same financial year was 14.34%
  - 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 – Not Applicable; and
  - xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## ANNEXURE - B

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

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

#### I. REGISTRATION & OTHER DETAILS:

i)	CIN	L65993TG1987PLC007163
ii)	Registration Date	12/02/1987
iii)	Name of the Company	VIVO BIO TECH LIMITED
iv)	Category/Sub-category of the Company	Company Limited by Shares
v)	Address of the Registered Office & contact details	608, Lingapur Complex, Himayathnagar, Hyderabad, Telangana-500029, Ph : 040-65090006
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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	459500	0	459500	4.91	459500	0	459500	4.91	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	1345000	2667000	4012000	42.91	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	1804500	2667000	4471500	47.82	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
<b>TOTAL(A)= A(1)+(A)(2)</b>	<b>1804500</b>	<b>2667000</b>	<b>4471500</b>	<b>47.82</b>	<b>1804500</b>	<b>2667000</b>	<b>4471500</b>	<b>47.82</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	-0.04
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	215885	1337970	1589855	17.00	1047138	537970	1585108	16.95	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	56239	282534	338773	3.62	78891	261774	340665	3.64	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	240000	225050	465050	4.97	240000	165000	405000	4.33	0.64
c) Others (specify)									
i) Non Resident Indians	150000	0	150000	1.60	150137	0	150137	1.60	0
ii) Overseas Corporate	1035000	1300000	2335000	24.97	1035000	1300000	2335000	24.97	0
iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
iv) Clearing Members	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1733466	3145554	4879020	52.18	2554226	2323794	4879020	52.18	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1733466</b>	<b>3145554</b>	<b>4879020</b>	<b>52.18</b>	<b>2554226</b>	<b>2323794</b>	<b>4879020</b>	<b>52.18</b>	<b>0</b>
<b>C. Non Promoter - Non Public</b>									
1. Shares held by Custodian for GDRs & ADRs -	0	0	0	0	0	0	0	0	0
2. Employee Benefit Trust under SEBI (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
<b>Grand Total (A+B+C)</b>	<b>3537966</b>	<b>5812254</b>	<b>935020</b>	<b>100</b>	<b>4358726</b>	<b>4991794</b>	<b>9350520</b>	<b>100</b>	<b>0</b>

## 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	2.67	0	0
2	K VISWANATH	150100	1.61	0	150100	1.61	0	0
3	TOOMULURU SITAMMA	59400	0.64	0	59400	0.64	0	0
4	VIRA SYSTEMS PRIVATE LIMITED	1345000	14.38	0	1345000	14.38	0	0
5	MAX CELL PHONE COMMUNICATIONS INDIA PVT. LTD.	800000	8.56	0	800000	8.56	0	
6	.IRON AGE INDIA LIMITED	600000	6.42	0	600000	6.42	0	
7	IRAGAVARAPU CONSTRUCTIONS PRIVATE LIMITED	600000	6.42	0	600000	6.42	0	0
8	P.K.I SOLUTIONS PVT LTD	600000	6.42	0	600000	6.42	0	0
9	SHRI SHRI RESORTS PRIVATE LIMITED	67000	0.72	0	67000	0.72	0	0

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	44,71,500	47.82	44,71,500	47.82
	Date wise Increase /Decrease in PromotersShareholding during the year specifying the reasons for increase / decrease(e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL		NIL	
	At the end of the year	44,71,500	47.82	44,71,500	47.82



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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	EVERY WEAR IMPORT AND EXPORT PVT LTD Purchase(s) during the year Sale(s) during the year  - On 17th February, 2017 - On 24th February, 2017 - On 17th March, 2017 - On 24th March, 2017	1330000 NIL (4213)  (600) (203) (510) (2900)	14.22 0 (0.05)	1330000 1328687	14.22 14.21
2	ELITE CLASS ASSET HOLDINGS LTD Purchase(s) during the year Sale(s) during the year	1300000 NIL NIL	13.90 0.00 0.00	1300000 1300000	13.90 13.90
3	NORTHERN UNION LIMITED Purchase(s) during the year Sale(s) during the year	1035000 NIL NIL	11.07 0.00 0.00	1035000 1035000	11.07 11.07
4	ANIL KUMAR PINAPALA Purchase(s) during the year Sale(s) during the year	260000 NIL NIL	2.68 0.00 0.00	260000 260000	2.68 2.68
5	AARTHI COMPTEC LIMITED Purchase(s) during the year Sale(s) during the year	100050 NIL NIL	1.07 0.00 0.00	100050 100050	1.07 1.07
6	AMN HOTELS PRIVATE LIMITED Purchase(s) during the year Sale(s) during the year	100000 NIL NIL	1.07 0.00 0.00	100000 100000	1.07 1.07
7	K S RAVINDRAN Purchase(s) during the year Sale(s) during the year	60000 NIL NIL	0.64 0.00 0.00	60000 60000	0.64 0.64
8	SIVA PARVATHI Purchase(s) during the year Sale(s) during the year	60000 NIL NIL	0.64 0.00 0.00	60000 60000	0.64 0.64
9	A P SRINIVAS Purchase(s) during the year Sale(s) during the year	50000 NIL NIL	0.54 0.00 0.00	50000 50000	0.54 0.54
10	M.N.ESTATES PRIVATE LIMITED Purchase(s) during the year Sale(s) during the year	50000 NIL NIL	0.54 0.00 0.00	50000 50000	0.54 0.54

**(E) Shareholding of Directors and Key Managerial Personnel :**

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	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.	P Srinivasu - 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 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
7	M Sharmista 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) INDEBITEDNESS** : Indebtedness of the Company including interest outstanding / accrued but not due for payment .

	Secured Loans	Unsecured Loans excluding deposits	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	51,443,319	117,667,854	NIL	169,111,173
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>51,443,319</b>	<b>117,667,854</b>	<b>NIL</b>	<b>169,111,173</b>
Change in Indebtedness during the financial	288,123,405	NIL	NIL	288,123,405
* Addition	186,684,403	NIL	NIL	186,684,403
* Reduction	152,882,321	NIL	NIL	152,882,321
<b>Net Change</b>	<b>51443319</b>	<b>-</b>	<b>-</b>	<b>51443319</b>
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	152,882,321	117,667,854	NIL	321,993,494
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>152,882,321</b>	<b>117,667,854</b>	<b>NIL</b>	<b>321,993,494</b>

## 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	<b>Kalyan Ram M</b> Whole Time Director	<b>P Srinivasu</b> Chief Financial Officer	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.36	3.66	7.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	3.36	3.66	7.02
	Ceiling as per the Act	Rs. 31.56 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	Kunasingam V Sittampalam	Sunder Kanaparthu	Hari Haran R	Sharmistha Manna	
	Fee for attending board and committee meetings	-	35,000	35,000	35000	1,05,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	35,000	35,000	35000	1,05,000
2	Other Non-Executive Directors					
	Fee for attending board and committee meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	35,000	35,000	35000	1,05,000
	Total Managerial Remuneration	-	35,000	35,000	35000	1,05,000
	Overall Ceiling as per the Act	Rs.31.56 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
		<b>Challapalli Varun Kumar</b> Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.20	6.20
	(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		
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (C)	6.20	6.20

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

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

**Annexure -C**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended On 31st March, 2017**  
**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, 2017 (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 and 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 7 Board Meetings, 4 Audit Committee Meetings, 1 Independent Director's Meeting, 2 Nomination and Remuneration Committee and 1 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](http://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: 28<sup>th</sup> August, 2017

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, 3<sup>rd</sup> 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:28<sup>th</sup> August,2017

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 2016-17	FY 2015-16
Foreign Exchange Earnings	166.05	483.39
Foreign Exchange Outgo	232.70	95.91

### 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 <sup>st</sup> March, 2017
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	Grant price is the face value of the equity shares of the Company, i.e., INR 10.00
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 stock options	The company has calculated the employee compensation cost using the fair value of the
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	NIL
10	The impact of this difference on profits and on EPS of the company on the current year profits (for the year grants)	Profit (Loss) after Tax (₹ in Rs) 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 <sup>st</sup> March, 2017
1	Number of Options outstanding at the beginning of the year( Un-granted)	30,00,000

2	Number of options granted during the year	Nil	
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)	Nil	
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.)
	NA	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	Nil	

	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 NA 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**

<b>Sl. No.</b>	<b>Name of the subsidiary</b>	<b>Vivo Bio Labs Private Limited</b>	<b>Vivo Bio Discovery Services Pvt Ltd</b>	<b>Surlogic Life Consultancy Pvt Ltd</b>
1.	Share Capital	100,000	100,000	1,00,000
2.	Reserves & Surplus	(28,222)	(28,222)	(11,475)
3.	Total assets	13,49,428	77,528	7,52,575
4.	Total Liabilities	12,77,650	5750	6,64,050
5.	Investments	Nil	Nil	Nil
6.	Turnover	Nil	Nil	Nil
7.	Profit before taxation	(5750)	(5750)	(5750)
8.	Provision for taxation	Nil	Nil	Nil
9.	Profit after taxation	(5750)	(5750)	Nil
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 2016-17.

### 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 and Director

#### (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. P Srinivasu, 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 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

**P. Srinivasu**  
CFO

Place : Hyderabad  
Date : 19th May, 2017

## 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 Chairperson 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

7 Board Meetings were held during the Financial Year 2016-17 and the gap between two Meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

27<sup>th</sup> May, 2016, 11<sup>th</sup> August 2016, 31<sup>st</sup> August 2016, 11<sup>th</sup> November , 2016, 16<sup>th</sup> December, 2016, 10<sup>th</sup> February, 2017 and 30<sup>th</sup> March 2017. 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	7	Present	0	0	0
Alangudi Sankaranarayanan	Non-Executive and Non Independent Director	5	Present	0	0	0
K.V.Sittampalam	Independent Non-Executive Director	1	Absent	1	1	0
Sunder Kanapathy	Independent Non-Executive Director	7	Present	0	0	0
Hariharan R	Independent Non-Executive Director	7	Present	0	0	0
Sharmistha Manna	Independent Non-Executive Director	7	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.

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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 30<sup>th</sup> March, 2017, 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
* Sharmistha M	Member	Independent Non-Executive Director	4
M. Vijya Lakshmi	Member	Independent Non-Executive Director	-

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.

\* Resigned from the Board w.e.f. 26th April, 2017.

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
* Sharmistha M	Member	Independent Non-Executive	2
Hariharan R	Member	Independent Non-Executive Director	2
M. Vijya Lakshmi	Member	Independent Non-Executive Director	-

\* Resigned from the Board w.e.f. 26th April, 2017.

#### 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.

### **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**

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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 2016-17(in Rs.)		
	Sitting Fees	Salary	Total
M. Kalyan Ram	NIL	3.36	3.36
Dr. A. Sankaranarayanan	NIL	NIL	NIL
Kunasingam V. Sittampalam	NIL	NIL	NIL
Sunder Kanaparth	35000	NIL	35000
Hariharan R	35000	NIL	35000
Sharmistha Manna	35,000	NIL	35,000

#### Shares held by Non-Executive Directors as on 31st March, 2017 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 Kanaparth	Nil
4	Hariharan R	Nil
5	Sharmistha Manna	Nil

#### 5. Stakeholders Relationship Committee:

The Board constituted an investors' grievance committee which looks into shareholders and investors grievances under the Chairmanship of Sunder Kanaparth 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 Kanaparth	Chairman	Independent Non-Executive Director
Sharmistha Manna	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. Aarathi Consultants Pvt. Ltd.

The outstanding complaints as on 31st March, 2017 were: NIL

Name & Designation of the Compliance officer:

Mr.Ch. Varun Kumar

Company Secretary, Chief Investor Relations & Compliance Officer

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

Illyas Mohammed Khan Estate,

Road No. 1, Banjara Hills

Phone# 040-65090006 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
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 1.00 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-500026	1
2013-14	30/09/2014 3.00 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-500026	5

#### 7. Postal ballot

**Special Resolution was passed pursuant to Postal ballot Notice dated 16<sup>th</sup> December,2016 for the following items.**

1. To Approve Grant of options to the employees of the company under Vivo Bio Employees Stock Option 'Scheme, 2016 (VBESOS, 2016)
2. To Approve Grant of options to the employees of the Subsidiary Companies of the Company under Vivo Bio Employees Stock Option Scheme, 2016 (VBESOS, 2016)
3. To Approve Grant of options to equal to or exceeding one per cent but not exceeding four per cent of the issued Capital of the Company during any one financial year to identified employees under Vivo Bio Employees Stock Option Scheme, 2016 (VBESOS, 2016)



Mr. V Chandra Sekhar Patnaik, Practicing Company Secretary was appointed as the Scrutinizer for conducting the e-voting in fair and transparent manner. The details of Voting pattern is as follows.

Sl. No	Brief Particulars of Special Resolutions	Total No. of Valid Votes	No. of Shares and % of total votes cast in favour		No. of Shares and % of total votes cast against	
			No. of shares	% of votes	No. of shares	% of Votes
1.	To Approve Grant of options to the employees of the company under Vivo Bio Employees Stock Option Scheme, 2016 (VBESOS, 2016)	2791274	2791274	100%	0	Nil
2	To Approve Grant of options to the employees of the Subsidiary Companies of the Company under Vivo Bio Employees Stock Option Scheme, 2016 (VBESOS, 2016)	2791274	2791274	100%	0	Nil
3	To Approve Grant of options to equal to or exceeding one per cent but not exceeding four per cent of the issued Capital of the Company during any one financial year to identified employees under Vivo Bio Employees Stock Option Scheme, 2016 (VBESOS, 2016)	2791274	2791274	100%	0	Nil

The procedure for postal ballot is as per section 110 of the companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. The Scrutinizer has submitted report to the Chairman Stating that the resolution has been duly passed by the members of the company with requisite majority.

## 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

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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: 28<sup>th</sup> September, 2017

Time: 2.30 PM

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

<b>b) Financial Calendar</b> Financial year 1 <sup>st</sup> April to 31 <sup>st</sup> March	
Tentative calendar for declaration of financial results in Financial Year 2017-18	
Results for the quarter ended June 30, 2017	on or before September 14, 2017
Results for the quarter ended September 30, 2017	on or before December 14, 2017
Results for the quarter ended December 31, 2017	on or before February 14, 2018
Results for the year ended March 31, 2018	on or before May 30, 2018

- d. **Book Closure dates:** The dates for book closure are from 22<sup>nd</sup> September, 2017 to, September 28<sup>th</sup> 2017 (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 2017-18 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.

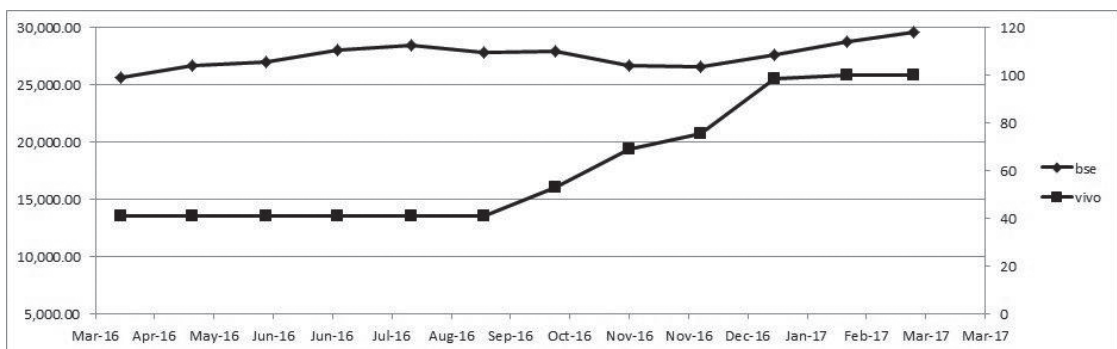
## g) Market Price Data

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, 2016	41.00	41.00	2,070
May,2016	41.00	39.50	296
June,2016	41.00	40.00	1,379
July, 2016	41.00	39.20	2,460
August, 2016	41.00	41.00	1,795
September, 2016	41.00	41.00	476
October, 2016	53.30	43.05	941
November, 2016	69.25	55.95	8,531
December, 2016	75.85	72.70	971
January,2017	98.60	79.60	2,790
February,2017	100.00	95.05	4,530
March,2017	100.00	90.40	8,040

Share price performance in comparison to broad based indices – BSE

Vivo Share Price Vs BSE		
Particulars	Share price	BSE Sensex
As on April 1, 2016	41.00	25269.64
As on March 31, 2017	100.00	29,620.50
Change (%)	143.90	17.22



## 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](mailto:info@aarthiconsultants.com)**

## i) Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2017

Sl. No	Category	Holders	Holders %	Shares	Amount	Amount %
1	1 - 5000	5951	98.67	228239	2282390	2.44
2	5001 - 10000	24	0.4	17982	179820	0.19
3	10001 - 20000	15	0.25	19550	195500	0.21
4	20001 - 30000	2	0.03	5120	51200	0.05
5	30001 - 40000	1	0.02	3580	35800	0.04
6	40001 - 50000	2	0.03	10000	100000	0.11
7	50001 - 100000	8	0.13	68662	686620	0.73
8	100001 & Above	28	0.46	8997387	89973870	96.22
	Total:	6031	100	9350520	93505200	100

## 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 2017 a total of 63,58,726 Equity Shares were dematerialized representing 68 % 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 2017

	No. of Shares	% of Total
NSDL	4875922	52.15
CDSL	1482804	15.85
Physical	2991794	32.00
Total	9350520	100.00

### k) Distribution of Shareholding on the basis of ownership as on March 31, 2017

Sl.No	Description	No. of Shares	% of Total Capital
1	Company Promoter / Promoter group	44,71,500	47.82
2	Foreign Institutional Investors	NIL	NIL
3	Banks / Mutual Funds / NBFC	NIL	NIL
4	Bodies Corporate	1585108	16.95
5	Individuals / HUF	8,05,715	8.62
6	Employee Trusts	NIL	NIL
7	Non Resident Indians	24,85,137	26.58
8	Foreign Bodies	NIL	NIL
9	Clearing Members / Trusts	3060	0.03

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

The Company has not issued any GDRs/ADRs/Warrants/convertible debentures during the year 2016-17 and there are no outstanding convertible instruments which will impact the equity.

### 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 2016-17 to the Board of Directors at their meeting held on 19th May, 2017, 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 2017.

**p. Development Facilities**

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

<b>Development Facilities</b>	<b>Facilities</b>
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**

3rd Floor, Illas Mohammed Khan Estate  
Banjara Hills, Road # 1, Above Kotak Mahindra Bank  
Hyderabad - 500034. Phone # 040-65090006  
E-mail : investors@vivobio.com

**10. Disclosures**

1. 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 not raised any fresh funds from the public or through Right or Preferential Issue

#### 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



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## CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members of Vivo Bio Tech Limited,**

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, 2017, 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.

Place: Hyderabad  
Date: 19<sup>th</sup> May, 2017

**For P. Murali & Co**  
Chartered Accountants  
FRN: 007257S  
  
**P. Murali Mohana Rao**  
Partner  
M.No: 23412

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

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

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

PLACE : HYDERABAD  
DATE : 28/08/2017

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

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

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.

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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 2016-17 comprises operating revenues of Rs.3452.36 Lakhs as against Rs. 2947.58 Lakhs in FY 2015-16 Profits: Profit before Tax (PBT) stood at Rs.283.54 Lakhs as against Rs 78.04 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 250.39 Lakhs as against Rs. 91.90 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.

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# 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 financial statements of **Vivo Bio Tech Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

## **Auditor's Responsibility**

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

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**' and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2017 on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2017.
    - iv. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 38 to the financial statement.

**For P. Murali & Co.,**

Chartered Accountants

Firm Registration No : 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place: Hyderabad

Date: 19<sup>th</sup> May 2017

## Annexure A to the Auditors Report

**Annexure referred to in Independent Auditors Report to the Members of Vivo Bio Tech Limited on the standalone financial statements for the year ended 31st March 2017, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable interval by the management during the year. There were no discrepancies noticed on physical verification of inventory as compared to book records and have been appropriately dealt with in the books of accounts.
- iii. The company has not granted any loans to body corporate covered in the register maintained under section 189 of the companies Act 2013 ("the Act"). Hence this clause is not applicable.
- 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 is not applicable.
- vi. In respect of the company, the central government has not prescribed maintenance of cost records under sub section (1) of section 148 of the companies Act, 2013.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues including Provident fund, Employees state insurance, income tax, service tax, custom duty, sales tax and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) There were no undisputed amounts payable in respect of Provident fund, Employees state insurance, income tax, service tax, custom duty, sales tax and other material statutory dues in arrears as at 31st March 2017 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Provident fund, Employees state insurance, income tax, service tax, custom duty, sales tax and other material statutory dues, which have not been deposited on account of any disputes except as follows:



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

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

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place: Hyderabad

Date : 19<sup>th</sup> May 2017

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

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

We have audited the internal financial controls over financial reporting of **Vivo Bio Tech Limited** ('the company') as on 31st March 2017 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

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

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

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

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

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

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

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

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

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2017, 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. Murali & Co.**,  
Chartered Accountants  
Firm Registration No 007257S

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

Place: Hyderabad  
Date: 19<sup>th</sup> May 2017

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

PARTICULARS	Note No.	As At 31/03/2017 ₹	As At 31/03/2016 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	93,505,200	93,505,200
(b) Reserves and Surplus	2	32,364,662	7,325,870
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	209,323,034	141,061,169
(b) Deferred tax liabilities (Net)	4	7,817,914	8,405,859
(c) Long term provisions	5	2,615,494	2,030,215
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	61,227,141	28,050,004
(b) Trade payables	7	54,007,721	87,463,132
(c) Other Current Liabilities	8	39,197,491	77,213,127
(d) Short-term provisions	9	11,295,281	11,660,578
<b>Total</b>		<b>511,353,939</b>	<b>456,715,153</b>
<b>B. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	228,419,540	169,423,714
(ii) Intangible assets	10	55,317,336	64,079,664
(iii) Capital work-in-progress	10	29,603,205	419,482
(b) Non-current investments	11	300,000	300,000
(c) Long term loans and advances	12	261,106	360,337
<b>(2) Current assets</b>			
(a) Short Term Advances	13	45,585,882	40,814,026
(b) Trade receivables	14	76,658,708	38,190,757
(c) Cash and cash equivalents	15	11,845,177	118,511,094
(d) Short-Term Loans and Advances	16	44,618,598	8,620,533
(e) Other current assets	17	18,744,387	15,995,547
<b>Total</b>		<b>511,353,939</b>	<b>456,715,153</b>

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

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

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

PARTICULARS	Note No.	Year Ended 31/03/2017 ₹	Year Ended 31/03/2016 ₹
1. Revenue from operations	18	341,279,531	285,832,984
2. Other Income	19	3,956,287	8,925,395
<b>3. Total Revenue (1 +2)</b>		<b>345,235,818</b>	<b>294,758,378</b>
<b>4. Expenses:</b>			
a) Purchases		86,207,873	81,929,418
b) (increase) / decrease in Inventories	20	(4,771,856)	6,056,228
c) Employee Benefit Expenses	21	54,951,065	43,426,017
d) Other Operating Expenses	22	84,450,818	78,893,794
e) Administrative Expenses	23	42,175,578	35,643,023
f) Financial costs	24	12,888,015	4,657,152
g) Depreciation and Amortization Expense	10	39,013,076	33,539,576
h) Other Expenses	25	1,967,616	2,809,032
<b>Total Expenses</b>		<b>316,882,185</b>	<b>286,954,241</b>
<b>5. Profit before tax ( 3- 4)</b>		<b>28,353,633</b>	<b>7,804,137</b>
<b>6. Tax expense:</b>			
(1) Current tax		3,902,785	1,487,078
(2) Deferred tax		(587,944)	(2,782,644)
<b>Total Tax</b>		<b>3,314,841</b>	<b>(1,295,565)</b>
<b>7. Profit/(Loss) for the period</b>		<b>25,038,792</b>	<b>9,099,703</b>
<b>8. Earning per equity share:</b>			
(1) Basic		2.68	0.97
(2) Diluted		2.68	0.97

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

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**Srinivasu Padala**

Chief Financial Officer

Place : Hyderabad

Date : 19th May, 2017

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

Particulars	Current Year ₹	Previous Year ₹
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before tax	28,353,633	7,804,137
<b>Adjustments for:</b>		
Depreciation	39,013,076	33,539,576
Interest expenses	12,888,015	4,657,152
Operating Profit before Working Capital Changes	<b>80,254,723</b>	<b>46,000,866</b>
<b>Working Capital Changes</b>		
Trade and other receivables	(81,887,481)	8,158,071
Trade payables	(38,659,206)	36,523,410
<b>Cash Generated from Operations</b>	<b>(40,291,964)</b>	<b>90,682,347</b>
Interest paid	12,888,015	4,657,152
Taxation for the year	3,314,841	(1,295,565)
<b>Net Cash from Operating Activities :</b>	<b>(56,494,819)</b>	<b>87,320,760</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(118,430,297)	(71,098,734)
Investment	-	(100,000)
Net Cash used in Investing Activities	<b>(118,430,297)</b>	<b>(71,198,734)</b>
<b>C. Cash Flow From Financial Activities:</b>		
Net Proceeds from Long Term Borrowings	68,259,200	(3,203,110)
<b>Net Cash used in Financing Activities</b>	<b>68,259,200</b>	<b>(3,203,110)</b>
Net increase in cash and cash equivalents	(106,665,917)	12,918,916
Cash and Cash equivalents as at 01.04.2016	118,511,094	105,592,179
Cash and Cash equivalents as at 31.03.2017	<b>11,845,178</b>	<b>118,511,094</b>

**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 P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P. Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

## **A. SIGNIFICANT ACCOUNTING POLICIES:**

### **1. General:**

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

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

#### **• Use of Estimates**

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

### **2. Cash and Cash Equivalents**

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

#### **Cash Flow Statement**

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

### **3. Tangible and Intangible Assets**

#### **i) Tangible Fixed Assets**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly

attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

## ii) Intangible Assets

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

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

## iii) Capital work-in-progress

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

## 4. Depreciation and Amortization:

- I. Effective 1<sup>st</sup> April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- II. Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.

## 5. Revenue Recognition:

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

## 6. Foreign Exchange Transactions:

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

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



## **7. Investments**

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

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

## **8. Gratuity:**

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

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

The Company furnishes the details of Related Party Disclosures as required by Companies Act 2013 and Accounting Standard - 18.

## **10. Earnings per Share**

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

## **11. Taxes on Income**

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

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

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

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

**Notes to the financial statements for the year ended 31 March 2017**

**NOTE : 1 : SHARE CAPITAL**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b>		
93,50,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
Total Share Capital (Equity)	93,505,200	93,505,200

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

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

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

- i) 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

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

Name of the Shareholder	As on 31.03.2017 No. of Shares	As on 31.03.2016 No. of Shares
Iron Age India Limited (Current yr 6.42%, Last yr 6.42%)	600,000	600,000
Vira Systems Private Limited (Current yr 14.38%, Last yr 14.38%)	1,345,000	1,345,000
Maxcell Phones Communications India (P) Limited (Current yr 8.56%, Last yr 8.56%)	800,000	800,000
Iragavarapu Constructions Private Limited (Current yr 6.42%, Last yr 6.42%)	600,000	600,000
PKI Solutions Private Ltd (Current yr 6.42%, Last yr 6.42%)	600,000	600,000
Every Wear Import and Export Private Limited (Current yr 14.18%, Last yr 14.44%)	1,325,787	1,350,000
Elite Class Asset Holdings Ltd (Current yr 13.9%, Last yr 13.9%)	1,300,000	1,300,000
Northern Union Limited (Current yr 11.07%, Last yr 11.07%)	1,035,000	1,035,000

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve</b>	15,840,000	15,840,000
<b>General Reserves</b>	1,000,000	1,000,000
<b>Capital Reserve</b>	29,289,102	29,289,102
<b>Surplus</b>		
As at the beginning of the year	(38,803,232)	(47,902,935)
Add: Additions during the year (Transfer from Profit & Loss a/c)	25,038,792	9,099,703
Surplus at the end of the Year	(13,764,440)	(38,803,232)
<b>Total Reserves and Surplus</b>	<b>32,364,662</b>	<b>7,325,870</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) <b>From banks:</b>		
Secured		
Vehicle Loans (Hypothecation of Vehicles)	2,973,825	5,449,315
Term Loans	72,980,355	-
(Security offered as Equitable Mortgage of Agricultural Land Situated at Sy No 91, 92, 101 & 102 to the extent of Acres 9.15 Acres in the name of M/s. Vivo Bio Labs Pvt Ltd and Acres 4.34 guntas standing in the name of M/s. Surlogic Life Consultancy Pvt Ltd. Fixed and Movable assets of the company as on 31st March 2017 and Personal Guarantee of Mr. Viswanath Kompella and Mrs. Madhvilatha Kompella along with the Corporate of Gurantee of M/s. Maxcell Phone Communications India Pvt Ltd., Vira Systems Pvt Ltd, Iron Age India Ltd., Iragavarapu Constructions Pvt Ltd., P K I Solutions Pvt Ltd., Every wear Imports & Exports Pvt Ltd., Vivo Bio Labs Pvt Ltd and Surlogic Life Consultancy Pvt Ltd)		
b) Other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	15,701,000	17,944,000
c) Unsecured	117,667,854	117,667,854
<b>Total long term borrowings</b>	<b>209,323,034</b>	<b>141,061,169</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Opening Deferred tax Liability	8,405,859	11,188,502
Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	(1,396,132)	(2,155,307)
Deferred Tax Liability for the year ( Due to Others )	808,188	(627,336)
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>7,817,914</b>	<b>8,405,859</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) Provisions for employee benefits - Provision for Gratuity	2,615,494	2,030,215
<b>Total Long Term Provisions</b>	<b>2,615,494</b>	<b>2,030,215</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>a) Loans repayable on demand:</b>		
<b>From banks</b>		
<b>Secured</b>	40,057,007	28,050,004
(Security offered as Equitable Mortgage of Agricultural Land Situated at Sy No 91, 92, 101 & 102 to the extent of Acres 9.15 Acres in the name of M/s. Vivo Bio Labs Pvt Ltd and Acres 4.34 guntas standing in the name of M/s. Surlogic Life Consultancy Pvt Ltd. Fixed and Movable assets of the company as on 31st March 2017 and Personal Guarantee of Mr. Viswanath Kompella and Mrs. Madhvilatha Kompella along with the Corporate of Gurantee of M/s. Maxcell Phone Communications India Pvt Ltd., Vira Systems Pvt Ltd, Iron Age India Ltd., Iragavarapu Constructions Pvt Ltd., P K I Solutions Pvt Ltd., Every wear Imports & Exports Pvt Ltd., Vivo Bio Labs Pvt Ltd and Surlogic Life Consultancy Pvt Ltd		
b) Term Loan repayable in next 12 months	21,170,134	-
<b>Total short term borrowings</b>	<b>61,227,141</b>	<b>28,050,004</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) Trade Payables	54,007,721	87,463,132
<b>Total Trade Payables</b>	<b>54,007,721</b>	<b>87,463,132</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) Other Payables (Creditors for Expenses & Equipment)	39,197,491	77,213,127
<b>Total Other current liabilities</b>	<b>39,197,491</b>	<b>77,213,127</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>a) Provisions for employee benefits</b>		
Salaries	4,122,404	3,435,841
Director Remuneration	24,367	24,167
<b>b) Others</b>		
<b>i) Statutory Liabilities</b>		
TDS	739,784	751,555
Provident Fund	439,253	373,129
ESI	144,921	73,982
VAT	770	-
Swachh Bharath Cess	22,975	53,594
<b>ii) Provision for Expenses</b>		
Income tax	3,902,785	1,487,078
Rent	92,600	3,739,842
Electricity Charges	1,713,022	1,632,015
Audit Fee	78,750	78,375
Professional Tax	13,650	11,000
<b>Total Short Term Provisions</b>	<b>11,295,281</b>	<b>11,660,578</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>1) Investment in wholly owned Subsidiaries</b>		
M/s Vivo Bio Discovery Services Pvt Ltd	100,000	100,000
M/s Vivo Bio Labs Pvt Ltd	100,000	100,000
M/s Surlogic Life Consultancy Pvt Ltd	100,000	100,000
<b>Total Non Current Investments</b>	<b>300,000</b>	<b>300,000</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	-	99,231
<b>Total Other Non Current Assets</b>	<b>261,106</b>	<b>360,337</b>

**NOTE NO. 13 : INVENTORIES**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Rodent Feed and Consumables	1,962,885	2,490,825
Taconic Transit Cages	5,107,500	5,051,250
Other Consumables	1,116,457	1,267,051
Rodents	37,399,040	32,004,900
<b>Total Inventories</b>	<b>45,585,882</b>	<b>40,814,026</b>

**NOTE NO. 14 : TRADE RECEIVABLES**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Outstanding for a period exceeding six months from the date they are due for payment Secured, Considered Good	76,658,708	38,190,757
<b>Total Trade Receivables</b>	<b>76,658,708</b>	<b>38,190,757</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks :		
On Current Accounts	263,141	7,141,623
b) Cash on hand	164,900	58,783
Sub Total	<b>428,041</b>	<b>7,200,406</b>
<b>Other Bank Balances</b>		
On Deposit Accounts		
a) Having Maturity more than 12 Months from date of deposit	11,417,136	111,310,686
<b>Total Cash and Cash Equivalents</b>	<b>11,845,177</b>	<b>118,511,093</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) Loans and advances to related parties		
Unsecured		
Vivo Bio Labs Pvt Ltd	1,271,900	1,271,900
Surlogic Life Consultancy Pvt Ltd	606,250	606,250
b) Other loans and advances		
Secured		
Rent Deposit	22,950,460	-
Electricity Deposits	5,107,568	3,830,018
Unsecured	14,682,419	2,912,365
<b>Total short term loans &amp; advances</b>	<b>44,618,598</b>	<b>8,620,533</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
TDS, Service Tax and Prepaid Insurance	18,744,387	15,995,547
<b>Total Other Current Assets</b>	<b>18,744,387</b>	<b>15,995,547</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
Revenue from Operations	341,279,531	285,832,984
<b>Total Revenue from Operations</b>	<b>341,279,531</b>	<b>285,832,984</b>

**NOTE NO. 19 : OTHER INCOME**

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Interest income	2,888,027	8,282,417
(b) Other income	1,068,260	642,978
<b>Total Other Income</b>	<b>3,956,287</b>	<b>8,925,395</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
Finished goods at the beginning of the year	40,814,026	46,870,254
Less : Finished goods at the end of the year	45,585,882	40,814,026
<b>Total Change in Inventories</b>	<b>(4,771,856)</b>	<b>6,056,228</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Salaries & Wages	48,873,671	38,827,735
(b) Contribution to Provident & Other Funds	4,800,485	3,316,692
(c) Staff Welfare Expenses	1,276,909	1,281,590
<b>Total Employee Benefit Expenses</b>	<b>54,951,065</b>	<b>43,426,017</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Power & Fuel	29,103,468	24,571,686
(b) Rent	52,815,605	51,886,946
(c) Repairs to Machinery	2,138,767	948,949
(d) Insurance	285,017	1,291,940
(e) Net loss on foreign currency transaction	32,961	119,273
(f) Payment to Auditors:		
(i) As Auditor	75,000	75,000
<b>Total Other Expenses</b>	<b>84,450,818</b>	<b>78,893,794</b>

**NOTE NO. 23 : ADMINSTRATIVE EXPENSES**

<b>Particulars</b>	<b>Year Ended 31/3/2017 ₹</b>	<b>Year Ended 31/3/2016 ₹</b>
(a) Telephone, Postage and Others	978,086	309,789
(b) Business Promotion	4,720,986	801,158
(c) Transport & Conveyance	8,042,854	2,970,679
(d) Office Maintenance	13,432,992	23,575,531
(e) Printing & Stationery	1,197,517	523,914
(f) Rates & Taxes	1,822,442	1,588,484
(g) Managerial Remuneration	336,204	336,204
(h) Consultancy Charges	11,135,922	5,279,404
(i) Seminar Fee	508,575	257,860
<b>Total Administrative Expenses</b>	<b>42,175,578</b>	<b>35,643,023</b>

**NOTE NO. 24 : FINANCE COST**

<b>Particulars</b>	<b>Year Ended 31/3/2017 ₹</b>	<b>Year Ended 31/3/2016 ₹</b>
Interest Expenses :		
- Interest & Bank Charges	12,888,015	4,657,152
<b>Total Finance Cost</b>	<b>12,888,015</b>	<b>4,657,152</b>

**NOTE NO. 25 : OTHER EXPENSES**

<b>Particulars</b>	<b>Year Ended 31/3/2017 ₹</b>	<b>Year Ended 31/3/2016 ₹</b>
(a) AMC Charges	1,967,616	2,809,032
<b>Total Other expenses</b>	<b>1,967,616</b>	<b>2,809,032</b>

**NOTE: 26**

	<b>Current year (Rs)</b>	<b>Previous Year (Rs)</b>
Directors Remuneration	3,36,204/-	3,36,204/-

**NOTE: 27**

	<b>Current year (Rs)</b>	<b>Previous Year (Rs)</b>
Audit Fee	75,000/-	75,000/-



**Note Number : 11**  
**FIXED ASSETS AND DEPRECIATION**

Sl.	Particulars	Gross Block			Depreciation / Amortization			Net Block as on 31.03.2017	Net Block as on 31.03.2016
		As on 01.04.2016	Additions during the year	As on 31.03.2017	As on 01.04.2016	Depreciating During the Period	As on 31.03.2017		
I.	<b>TANGIBLE ASSETS</b>								
	Land	25,053,298	-	25,053,298	-	-	-	25,053,298	
	Plant & Machinery	6,893,605	3,123,289	10,016,894	1,515,254	1,002,094	2,517,348	7,499,546	
	Electrical Equipment	4,596,517	4,624,570	9,221,087	2,640,417	951,277	3,591,693	5,629,394	
	Laboratory Equipment	186,510,643	75,299,642	261,810,285	63,342,641	23,609,198	86,951,838	174,858,447	
	Office Equipment	3,780,796	1,304,820	5,085,616	3,169,675	370,333	3,540,008	1,545,608	
	Computers	1,943,973	2,970,653	4,914,626	1,564,806	674,615	2,239,421	2,675,205	
	Furniture	5,286,818	732,912	6,019,730	2,447,565	639,186	3,086,751	2,932,979	
	Vehicles	16,611,318	-	16,611,318	6,572,897	1,813,357	8,386,254	8,225,064	
	<b>Sub Total (a)</b>	<b>250,676,968</b>	<b>88,055,886</b>	<b>338,732,854</b>	<b>81,253,254</b>	<b>29,060,060</b>	<b>110,313,314</b>	<b>228,419,540</b>	
II.	Intangible Assets								
	Technical Know How	93,506,244		93,506,244	30,196,997	9,396,921	39,593,918	53,912,325	
	Computer Software	5,357,461	1,190,688	6,548,149	4,587,044	556,095	5,143,138	1,405,010	
	<b>Sub Total (b)</b>	<b>98,863,704</b>	<b>1,190,688</b>	<b>100,054,392</b>	<b>34,784,040</b>	<b>9,953,016</b>	<b>44,737,057</b>	<b>55,317,336</b>	
	<b>Capital Work In Progress</b>	<b>419,482</b>	<b>29,183,723</b>	<b>29,603,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,603,205</b>	
	<b>Grand Total (a+b+c)</b>	<b>349,960,155</b>	<b>118,430,297</b>	<b>468,390,452</b>	<b>116,037,294</b>	<b>39,013,076</b>	<b>155,050,370</b>	<b>313,340,081</b>	
								<b>64,079,664</b>	
								<b>-</b>	
								<b>233,503,378</b>	

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

	Current year (Rs)	Previous Year (Rs)
a) Inflow -	166.05 Lakhs	95.91 Lakhs
b) Outflow	232.70 Lakhs	489.39 Lakhs

**NOTE: 29**

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.

**NOTE 30: INVESTMENTS**

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

Details of Investment in Wholly Owned Subsidiaries.

*1. Wholly Owned Subsidiaries*

S No.	Name of the Subsidiary	Amount (Rs)
1	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 31: EARNING PER SHARE:**

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

Particulars	2016-17	2015-16
Profit available for the equity share holders	2,50,38,792/-	90,99,703/-
No. of equity shares outstanding for EPS-Basic	93,50,520/-	93,50,520/-
No. of equity shares outstanding of EPS-Diluted	93,50,520/-	93,50,520/-
Basic	2.68	0.97
Diluted	2.68	0.97

**NOTE: 32**

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

**NOTE: 33**

Confirmations were not obtained from debtors/creditors.

**NOTE: 34**

The 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 mi-

metic 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.

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

**NOTE: 35**

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

**NOTE 36**

**Related Party Transactions.**

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

**Related Party Disclosures**

**a) Subsidiary Companies:**

- 1) Vivobio Labs Pvt Ltd
- 2) Vivobio Discovery services Pvt Ltd
- 3) Surlogic Life Consultancy Pvt Ltd

**b) Key Management Personnel:**

S.NO	NAME	Designation
1	Dr. A. Sankaranarayanan	Director
2	M. Kalyan Ram	Whole Time Director
3	Srinivasu Padala	Chief Financial Officer
4	Challapalli Varun Kumar	Company secretary
5	Kunasingam V Sittampalam	Director
6	Sunder Kanaparthi	Director
7	R. Hariharan	Director
8	M. Vijaya Lakshmi	Additional Director

The followings are the related party transactions:

Name of the related Party	Nature of transaction	Current year (Rs)	Previous year (Rs)
M. Kalyan Ram	Remuneration	3,36,204	3,36,204
Virinchi Ltd	Lease Rental	30,00,000	30,00,000

**NOTE : 37**

**Disclosure on specified bank notes:**

During the year, the company has specified bank notes (SBNs) or the other denomination notes as defined in the MCA notification, G.S.R 308(E), dated 30<sup>th</sup> March 2017. The details of SBNs held and transacted during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, the denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 <sup>th</sup> November 2016	0	149668	149668
ADD: Permitted receipts	0	50000	50000
LESS: Permitted payments	0	28500	28500
LESS: Amount deposited in banks	0	0	0
Closing cash in hand as on 30 <sup>th</sup> December 2016	0	164168	164168

**NOTE: 38**

Previous year's figures have been regrouped wherever necessary.

**NOTE: 39**

The figures have been rounded off to the nearest rupee.

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

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# Consolidated Financials

## INDEPENDENT AUDITOR'S REPORT

To the Members of Vivo Bio Tech Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Vivo Bio Tech Limited** ("the Holding Company") and its Subsidiaries, (Collectively referred to as the "company or the Group") comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year 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 Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, and their Consolidated profit and their Consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 A**' and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31st march, 2017 on the consolidated financial positions of the group, its associated and jointly controlled entities.
    - ii. The group company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no amounts that are required to be transferred, to the Investor Education and Protection Fund by the holding and subsidiary company during the year ended 31st March 2017.

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

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

Place: Hyderabad  
Date: 19<sup>th</sup> May, 2017

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

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March 2017, We have audited the internal financial controls over financial reporting of Vivo Bio Tech Limited ('the holding company') and its subsidiary which are incorporated in India as of 31st March 2017.

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

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

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

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

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

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

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

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



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

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

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

### **Opinion**

In our opinion, the holding company and its subsidiary company, which are companies incorporated in India, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, 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. Murali & Co.,**  
Chartered Accountants  
Firm Registration No: 007257S

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

Place: Hyderabad  
Date: 19<sup>th</sup> May, 2017

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

PARTICULARS	Note No.	As At 31/03/2017 ₹	As At 31/03/2016 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	93,505,200	93,505,200
(b) Reserves and Surplus	2	32,136,116	7,111,287
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	209,375,084	141,061,169
(b) Deferred tax liabilities (Net)	4	7,817,914	8,405,859
(c) Long term provisions	5	2,615,494	2,030,215
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	61,227,141	28,050,004
(b) Trade payables	7	54,007,721	87,463,132
(c) Other Current Liabilities	8	39,197,491	77,265,177
(d) Short-term provisions	9	11,309,244	11,677,539
<b>Total</b>		<b>511,191,406</b>	<b>456,569,582</b>
<b>B. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	230,359,740	171,363,914
(ii) Intangible assets	10	55,317,336	64,079,664
(iii) Capital work-in-progress	10	29,603,205	419,482
(b) Long term loans and advances	11	261,106	360,337
<b>(2) Current assets</b>			
(a) Short Term Advances	12	45,585,882	40,814,026
(b) Trade receivables	13	76,658,708	38,190,757
(c) Cash and cash equivalents	14	11,920,594	118,603,472
(d) Short-Term Loans and Advances	15	42,740,448	6,742,383
(e) Other current assets	16	18,744,387	15,995,547
<b>Total</b>		<b>511,191,406</b>	<b>456,569,582</b>

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

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

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

PARTICULARS	Note No.	Year Ended 31/03/2017 ₹	Year Ended 31/03/2016 ₹
1. Revenue from Operations	17	341,279,531	285,832,984
2. Other Income	18	3,956,287	8,925,395
<b>3. Total Revenue (1+2)</b>		<b>345,235,818</b>	<b>294,758,378</b>
<b>4. Expenses:</b>			
a) Purchases		86,207,873	81,929,418
b) (Increase)/ decrease in Inventories	19	(4,771,856)	6,056,228
c) Employee Benefit Expense	20	54,951,065	43,426,017
d) Other Operating Expenses	21	84,468,068	78,910,755
e) Administrative Expenses	22	42,175,578	35,643,023
f) Financial Costs	23	12,888,015	4,657,152
g) Depreciation and Amortization Expense	10	39,013,076	33,539,576
h) Other Expenses	24	1,967,616	2,809,032
<b>Total Expenses</b>		<b>316,899,435</b>	<b>286,971,202</b>
<b>5. Profit before tax (3-4)</b>		<b>28,336,383</b>	<b>7,787,176</b>
<b>6. Tax expense:</b>			
(1) Current tax		3,899,498	1,487,078
(2) Deferred tax		(587,944)	(2,782,644)
<b>7. Profit/(Loss) for the period (5-6)</b>		<b>25,024,829</b>	<b>9,082,742</b>
<b>8. Earning per equity share:</b>			
(1) Basic		2.68	0.97
(2) Diluted		2.68	0.97

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

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

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

Particulars	Current Year ₹	Previous Year ₹
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit Before Tax	28,336,383	7,787,176
<b>Adjustments for:</b>		
Depreciation	39,013,076	33,539,576
Interest expenses	12,888,015	4,657,152
Operating Profit before Working Capital Changes	<b>80,237,473</b>	<b>45,983,905</b>
<b>Working Capital Changes</b>		
Trade and Other Receivables	(81,887,481)	8,868,904
Trade payables	(38,714,255)	36,633,410
<b>Cash Generated from Operations</b>	<b>(40,364,263)</b>	<b>91,486,219</b>
Interest paid	(12,888,015)	4,657,152
Taxation for the year	(3,311,553)	(1,295,565)
<b>Net Cash from Operating Activities</b>	<b>(56,563,831)</b>	<b>88,124,632</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(118,430,297)	(71,961,340)
<b>Net Cash used in Investing Activities</b>	<b>(118,430,297)</b>	<b>(71,961,340)</b>
<b>C. Cash Flow From Financial Activities:</b>		
Net Proceeds from Long Term Borrowings	68,311,250	(3,203,110)
<b>Net Cash used in Financing Activities</b>	<b>68,311,250</b>	<b>(3,203,110)</b>
Net increase in cash and cash equivalents	(106,682,878)	12,960,182
Cash and Cash equivalents as at 01.04.2016	118,603,473	105,643,290
Cash and Cash equivalents as at 31.03.2017	<b>11,920,594</b>	<b>118,603,473</b>

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date :19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer

## A. SIGNIFICANT ACCOUNTING POLICIES:

### 1. General:

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

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

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

- **Use of Estimates**

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

### 2. Principles Of Consolidation:

Principles Of Consolidation: The financial statement of parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and the unrealised profits. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. The financial statements are prepared in accordance with the principles and procedures of required for preparation and presentation of Consolidated Financial Statements as laid down under the Accounting standard – 21 'Consolidated Financial Statements'.

The subsidiaries companies considered in the consolidated financial statements are:

S No.	Name of the Subsidiary	% of holding
1	Vivobio Labs Private Limited	100%
2	Vivo bio Discovery Services Private Limited	100%
3	Surlogic Life Consultancy Private Limited	100%

### 3. Cash and Cash Equivalents

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

#### Cash Flow Statement

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

### 4. Tangible and Intangible Assets

#### i) Tangible Fixed Assets

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

#### ii) Intangible Assets

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

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

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

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

### 5. Depreciation and Amortization:

- I. Effective 1<sup>st</sup> April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013.
- II. Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.

### 6. Revenue Recognition:

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

## **7. Foreign Exchange Transactions:**

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

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

## **8. Related Party Disclosures :**

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

## **9. Earnings per Share**

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

## **10. Taxes on Income**

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

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

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

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

**Notes to the financial statements for the year ended 31 March 2017**

**NOTE : 1 : SHARE CAPITAL**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b>		
93,50,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
Total Share Capital (Equity)	93,505,200	93,505,200

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

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

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

- i) 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

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

Name of the Shareholder	As on 31.03.2017 No. of Shares	As on 31.03.2016 No. of Shares
Iron Age India Limited (Current yr 6.42%, Last yr 6.42%)	600,000	600,000
Vira Systems Private Limited (Current yr 14.38%, Last yr 14.38%)	1,345,000	1,345,000
Maxcell Phones Communications India (P) Limited (Current yr 8.56%, Last yr 8.56%)	800,000	800,000
Iragavarapu Constructions Private Limited (Current yr 6.42%, Last yr 6.42%)	600,000	600,000
PKI Solutions Private Ltd (Current yr 6.42%, Last yr 6.42%)	600,000	600,000
Every Wear Import and Export Private Limited (Current yr 14.18%, Last yr 14.44%)	1,325,787	1,350,000
Elite Class Asset Holdings Ltd (Current yr 13.9%, Last yr 13.9%)	1,300,000	1,300,000
Northern Union Limited (Current yr 11.07%, Last yr 11.07%)	1,035,000	1,035,000



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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>	15,840,000	15,840,000
<b>General Reserves</b>	1,000,000	1,000,000
<b>Capital Reserve</b>	29,289,102	29,289,102
<b>Surplus</b>		
As at the beginning of the year	(38,820,193)	(47,902,935)
Add: Additions during the year (Transfer from Profit & Loss a/c)	25,024,829	9,082,742
	<b>(13,795,364)</b>	<b>(38,820,193)</b>
Capital Reserve/Goodwill	(197,622)	(197,622)
<b>Total Reserves and Surplus</b>	<b>32,136,116</b>	<b>7,111,287</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) From banks:		
Secured		
Vehicle Loan (Hypothecation of Vehicles)	2,973,825	5,449,315
Term Loans	72,980,355	-
(Security offered as Equitable Mortgage of Agricultural Land Situated at Sy No 91, 92, 101 & 102 to the extent of Acres 9.15 Acres in the name of M/s. Vivo Bio Labs Pvt Ltd and Acres 4.34 guntas standing in the name of M/s. Surlogic Life Consultancy Pvt Ltd. Fixed and Movable assets of the company as on 31st March 2017 and Personal Guarantee of Mr. Viswanath Kompella and Mrs. Madhaviatha Kompella along with the Corporate of Gurantee of M/s. Maxcell Phone Communications India Pvt Ltd., Vira Systems Pvt Ltd, Iron Age India Ltd., Iragavarapu Constructions Pvt Ltd., P K I Solutions Pvt Ltd., Every wear Imports & Exports Pvt Ltd., Vivo Bio Labs Pvt Ltd and Surlogic Life Consultancy Pvt Ltd		
b) other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	15,701,000	17,944,000
c) Unsecured	117,719,904	117,667,854
<b>Total long term borrowings</b>	<b>209,375,084</b>	<b>141,061,169</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Opening Deferred tax Liability	8,405,859	11,188,502
Deferred Tax Asset for the year ( Due to SLM and WDV Difference )	(1,396,132)	(2,155,307)
Deferred Tax Liability for the year ( Due to Others )	808,188	(627,336)
<b>Gross Deferred tax Liability</b>	<b>7,817,914</b>	<b>8,405,859</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Provision for Gratuity	2,615,494	2,030,215
<b>Total Long Term Provisions</b>	<b>2,615,494</b>	<b>2,030,215</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>Short term borrowings</b>		
Loans repayable on demand:		
From banks		
Secured	40,057,007	28,050,004
(Hypothecation of Stock and Book Debts, Personal Guarantee of Promoters of the company & Equitable Mortgage of Lands)		
Term Loan repayable in next 12 months	21,170,134	-
<b>Total short term borrowings</b>	<b>61,227,141</b>	<b>28,050,004</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) Trade Payables	54,007,721	87,463,132
<b>Total Trade Payables</b>	<b>54,007,721</b>	<b>87,463,132</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
a) Other Payables (Creditors for Expenses & Equipments)	39,197,491	77,265,177
<b>Total Other Current Liabilities</b>	<b>39,197,491</b>	<b>77,265,177</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>a) Provisions for employee benefits</b>		
PF	439,253	373,129
Salaries	4,122,404	3,435,841
Director Remuneration	24,367	24,167
<b>b) Others</b>		
<b>Statutory Liabilities</b>		
TDS	739,784	751,555
ESI	144,921	73,982
Vat	770	-
Swachh Bharath Cess	22,975	53,594
<b>Provision for Expenses</b>		
Income tax	3,899,498	1,487,078
Rent	92,600	3,739,842
Electricity Charges	1,713,022	1,632,015
Audit Fee	96,000	95,336
Professional Tax	13,650	11,000
<b>Total Short Term Provisions</b>	<b>11,309,244</b>	<b>11,677,539</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Unamortised Expenses	261,106	261,106
Deferred Financial Charges	-	99,231
<b>Total Other Non Current Assets</b>	<b>261,106</b>	<b>360,337</b>

**NOTE NO. 12 : INVENTORIES**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Stock in Trade, Stores and spares	45,585,882	40,814,026
<b>Total Inventories</b>	<b>45,585,882</b>	<b>40,814,026</b>

**NOTE NO. 13 : TRADE RECEIVABLES**

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Unsecured, Considered Good	76,658,708	38,190,757
<b>Total Trade Receivables</b>	<b>76,658,708</b>	<b>38,190,757</b>

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

Sl.	Particulars	Gross Block			Depreciation / Amortization			Net Block as on 31.03.2017	Net Block as on 31.03.2016
		As on 01.04.2016	Additions during the year	As on 31.03.2017	As on 01.04.2016	Depreciation During the Period	As on 31.03.2017		
I.	<b>Tangible Assets</b>								
	Land	26,993,498		26,993,498	-			26,993,498	
	Plant & Machinery	6,893,605	3,123,289	10,016,894	1,515,254	1,002,094	2,517,348	7,499,546	
	Electrical Equipment	4,596,517	4,624,570	9,221,087	2,640,417	951,277	3,591,693	5,629,394	
	Laboratory Equipment	186,510,643	75,299,642	261,810,285	63,342,641	23,609,198	86,951,838	174,858,447	
	Office Equipment	3,780,796	1,304,820	5,085,616	3,169,675	370,333	3,540,008	1,545,608	
	Computers	1,943,973	2,970,653	4,914,626	1,564,806	674,615	2,239,421	2,675,205	
	Furniture	5,286,818	732,912	6,019,730	2,447,565	639,186	3,086,751	2,932,979	
	Vehicles	16,611,318		16,611,318	6,572,897	1,813,357	8,386,254	8,225,064	
	<b>Sub Total (a)</b>	<b>252,617,168</b>	<b>88,055,886</b>	<b>340,673,054</b>	<b>81,253,254</b>	<b>29,060,060</b>	<b>110,313,314</b>	<b>230,359,740</b>	
II.	<b>Intangible Assets</b>								
	Technical Know How	93,506,244		93,506,244	30,196,997	9,396,921	39,593,918	53,912,325	
	Computer Software	5,357,461	1,190,688	6,548,149	4,587,044	556,095	5,143,138	1,405,010	
	<b>Sub Total (b)</b>	<b>98,863,704</b>	<b>1,190,688</b>	<b>100,054,392</b>	<b>34,784,040</b>	<b>9,953,016</b>	<b>44,737,057</b>	<b>55,317,336</b>	
	<b>Capital Work In Progress</b>	<b>419,482</b>	<b>29,183,723</b>	<b>29,603,205</b>				<b>29,603,205</b>	
	<b>Grand Total (a+b+c)</b>	<b>351,900,355</b>	<b>118,430,297</b>	<b>470,330,652</b>	<b>116,037,294</b>	<b>39,013,076</b>	<b>155,050,370</b>	<b>315,280,281</b>	
								<b>233,503,378</b>	

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks :		
On Current Accounts	263,141	7,141,623
b) Cash on hand	240,317	151,162
<b>Sub Total</b>	<b>503,458</b>	<b>7,292,785</b>
<b>Other Bank Balances</b>		
On Deposit Accounts		
a) Having Maturity more than 12 Months from date of deposit	11,417,136	111,310,686
<b>Total Cash and Cash Equivalents</b>	<b>11,920,594</b>	<b>118,603,471</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Other loans And advances		
Secured		
Refundable Rent Deposit	22,950,460	
Other Deposits	5,107,568	3,830,018
Unsecured	14,682,419	2,912,365
<b>Total short term loans &amp; advances</b>	<b>42,740,448</b>	<b>6,742,383</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
TDS, Service Tax and Prepaid Insurance	18,744,387	15,995,547
<b>Total Other Current Assets</b>	<b>18,744,387</b>	<b>15,995,547</b>

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

Particulars	As at 31/3/2017 ₹	As at 31/3/2016 ₹
Revenue from Operations	341,279,531	285,832,984
<b>Total Other Revenue from Operations</b>	<b>341,279,531</b>	<b>285,832,984</b>

**NOTE NO. 18 : OTHER INCOME**

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Interest income	2,888,027	8,282,417
(b) Other Income	1,068,260	642,978
<b>Total Other Income</b>	<b>3,956,287</b>	<b>8,925,395</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
Finished goods at the beginning of the year	40,814,026	46,870,254
Less : Finished goods at the end of the year	45,585,882	40,814,026
<b>Total Change in Investoreis &amp; WIP</b>	<b>(4,771,856)</b>	<b>6,056,228</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Salaries & Wages	48,873,671	38,827,735
(b) Contribution to Provident & Other Funds	4,800,485	3,316,692
(c) Staff Welfare Expenses	1,276,909	1,281,590
<b>Total Employee Benefit Expenses</b>	<b>54,951,065</b>	<b>43,426,017</b>

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

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Power & Fuel	29,103,468	24,571,686
(b) Rent	52,815,605	51,886,946
(c) Repairs to Machinery	2,138,767	948,949
(d) Insurance	285,017	1,291,940
(e) Net loss on foreign currency transaction	32,961	119,273
(f) Payment to Auditors:	-	-
(i) As Auditor	92,250	91,961
<b>Total Other Expenses</b>	<b>84,468,068</b>	<b>78,910,755</b>

**NOTE NO. 22 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) Telephone, Postage and Others	978,086	309,789
(b) Business Promotion Expenses	4,720,986	801,158
(c) Transport & Conveyance	8,042,854	2,970,679
(d) Office Maintenance	13,432,992	23,575,531
(e) Printing & Stationery Expenses	1,197,517	523,914
(f) Rates & Taxes	1,822,442	1,588,484
(g) Managerial Remuneration	336,204	336,204
(h) Consultancy Charges	11,135,922	5,279,404
(i) Seminar Fee	508,575	257,860
<b>Total Administrative Expenses</b>	<b>42,175,578</b>	<b>35,643,023</b>

**NOTE NO. 23 : FINANCE COST**

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
Interest Expenses :		
- Interest & Bank Charges	12,888,015	4,657,152
<b>Total Finance Cost</b>	<b>12,888,015</b>	<b>4,657,152</b>

**NOTE NO. 24 : OTHER EXPENSES**

Particulars	Year Ended 31/3/2017 ₹	Year Ended 31/3/2016 ₹
(a) AMC Charges	1,967,616	2,809,032
<b>Total Other expenses</b>	<b>1,967,616</b>	<b>2,809,032</b>

**NOTE: 25**

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 26: 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	2016-17	2015-16
Profit available for the equity share holders	2,50,38,792/-	90,99,703/-
No. of equity shares outstanding for EPS-Basic	93,50,520/-	93,50,520/-
No. of equity shares outstanding of EPS-Diluted	93,50,520/-	93,50,520/-
Basic	2.68	0.97
Diluted	2.68	0.97

**NOTE: 27**

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

**NOTE: 28**

Confirmations were not obtained from debtors/creditors.

**NOTE: 29**

The 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.

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: 30**

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

**NOTE 31**

**Related Party Transactions.**

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

**Related Party Disclosures**

**a) Subsidiary Companies:**

- 1) Vivobio Labs Pvt Ltd
- 2) Vivobio Discovery services Pvt Ltd
- 3) Surlogic Life Consultancy Pvt Ltd

**b) Key Management Personnel:**

S.NO	NAME	Designation
1	Dr. A. Sankaranarayanan	Director
2	M. Kalyan Ram	Whole Time Director
3	Srinivasu Padala	Chief Financial Officer
4	Challapalli Varun Kumar	Company secretary
5	Kunasingam V Sittampalam	Director
6	Sunder Kanaparthi	Director
7	R. Hariharan	Director
8	Vijaya Lakshmi Mantha	Additional Director

The followings are the related party transactions:

Name of the related Party	Nature of transaction	Current year (Rs)	Previous year (Rs)
M. Kalyan Ram	Remuneration	3,36,204	3,36,204
Virinchi Ltd	Lease Rental	30,00,000	30,00,000



**NOTE : 32****Disclosure on specified bank notes:**

During the year, the company has specified bank notes (SBNs) or the other denomination notes as defined in the MCA notification, G.S.R 308(E), dated 30<sup>th</sup> March 2017. The details of SBNs held and transacted during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, the denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 <sup>th</sup> November 2016	0	149668	149668
ADD: Permitted receipts	0	50000	50000
LESS: Permitted payments	0	28500	28500
LESS: Amount deposited in banks	0	0	0
Closing cash in hand as on 30 <sup>th</sup> December 2016	0	164168	164168

**NOTE: 33**

Previous year's figures have been regrouped wherever necessary.

**NOTE: 34**

The figures have been rounded off to the nearest rupee.

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

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 19th May, 2017

For and on behalf of the Board of

**M/s Vivo Bio Tech Limited**

**Dr. A. Sakaranarayanan**

Director

DIN : 02703392

**Challapalli Varun Kumar**

Company Secretary

M.No. : A31280

**M. Kalyan Ram**

Whole Time Director

DIN : 02012580

**Srinivasu Padala**

Chief Financial Officer



# M/s VIVO BIO TECH 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 30th Annual general meeting of the company, to be held on Thursday the 28th day of September, 2017 at 2.30 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 31.03.2017 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 Mr. Kalyan Ram who retires by rotation, and being eligible, offers himself for re-appointment.		
3.	To consider and approve appointment of Chandra Babu Naidu & Co., Chartered Accounts as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 34th AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act).		
4.	To regularize Mrs. M. Vijaya Lakshmi, additional director of the company		
5.	To appoint Mrs. M. Vijaya Lakshmi, as an Independent Director of the company		
6.	Issue of 45,00,000 convertible warrants on preferential basis		

Signed this..... day of..... 2017.

Signature of shareholder:

Signature of Proxy holder(s):

Affix  
Re. 1/-  
revenue  
stamp

**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, Ily+as 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

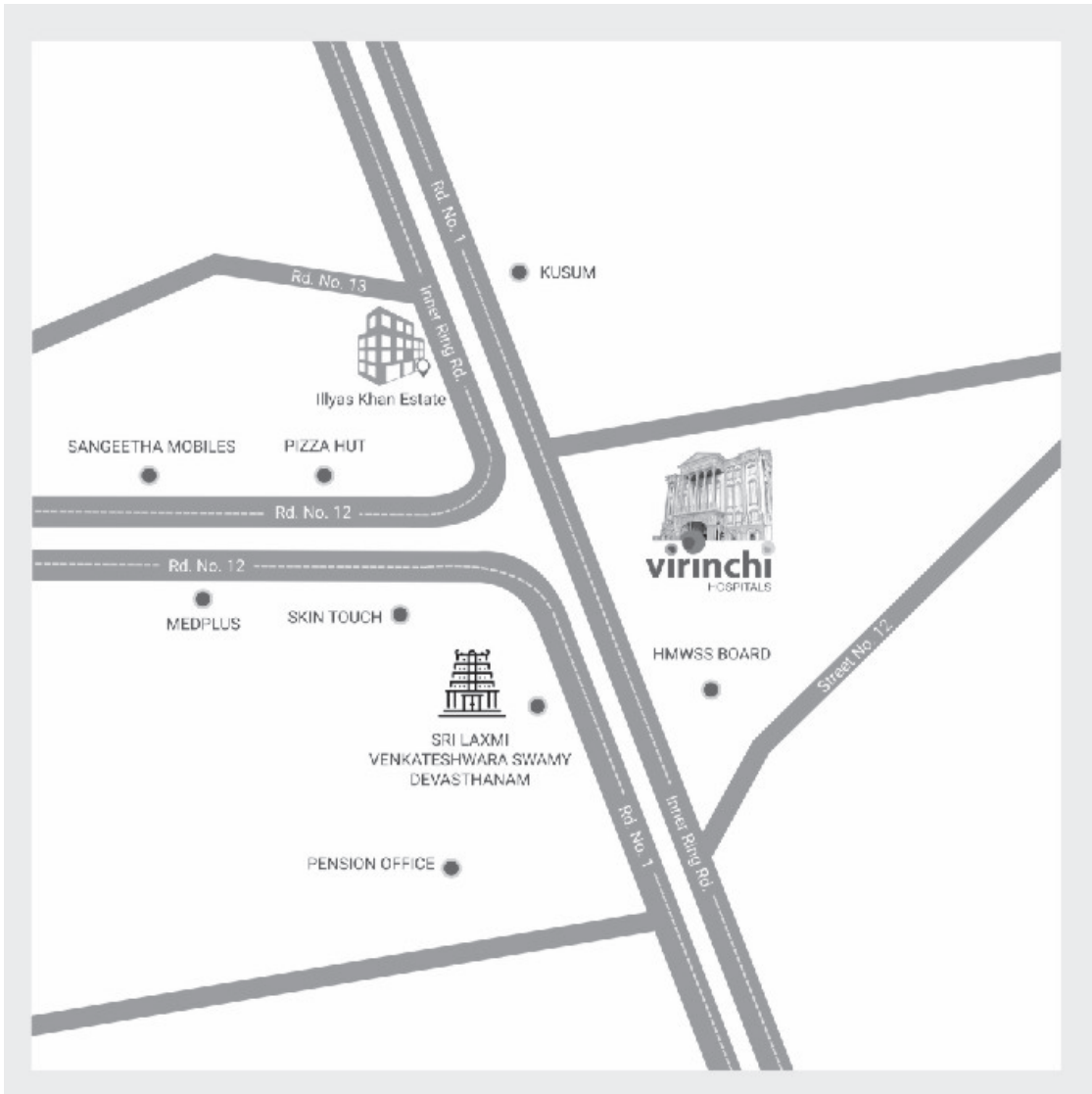
NAME OF THE PROXY : Mr/ Mrs/Miss.....

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

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company to be held **on Thursday, the 28<sup>th</sup> September, 2017 at 2.30 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 30th AGM



## 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