

VIVO BIO TECH LIMITED

n proteins for zero diseases



20th Annual Report 2006-2007

Board of Directors

Lanka Nagaraj
Dr. Sudhakar Konda
P.V.V.Prasad
M. Swaminadham
Kunasingam V.Sittamapalam

- Managing Director
- Executive Director
- Director
- Director
- Director

Company Secretary

N. Madhusudhana Reddy

Bankers:

M/s. Canara Bank
Overseas Branch
Adarsh Nagar
Hyderabad

Auditors:

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda
Hyderabad-500 082.
Phone: # (040)-23326666, 23312554

Registrars & Share Transfer Agents

M/s. Aarthi Consultants Pvt. Ltd.,
1-2-285, Domalguda,
Hyderabad - 500 029.
Phone: 27634445, 27638111
Fax No: 27632184

Registered Office:

Flat: #608, 6th Floor
Lingapur Complex
Himayat Nagar,
Hyderabad - 500 029.
Phone# Tel: 66784714; 66784719
Fax: 040-66776112

Date, Time and Venue of AGM

28.09.2007, 4.30 P.M
at Padmashali Kalyana Mandapam
West Marredpally, Secunderabad-26

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Friday, the 28th day of September, 2007, at 4.30 P.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500 026 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2007: Balance Sheet as on that date along with the Schedules forming part of it, notes to accounts and the Reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr.P.V.V.Prasad, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Sri Madhira Swaminadham , who was appointed as an Additional Director of the company, who holds office under Section 260 of the Companies Act, 1956, up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

5. **To Consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution**

"RESOLVED THAT Pursuant to the provisions of Section 198,269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956(hereinafter referred to as the "Act" which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the appointment of Mr.Lanka Nagaraj, as Managing Director, of the Company, for a period of 5 (Three) years with effect from 31st January, 2007 on the terms and conditions as mentioned in the explanatory statement.

"RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Mr. Lanka Nagaraj as minimum remuneration during the currency of his tenure as mentioned in the explanatory statement, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Act, including amendments made thereto"

"RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956 and subject to the accordance of the requisite approvals, the board be and is here by

authorized to revise the gross salary of the appointee by a maximum of 50% per annum”.

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

“RESOLVED THAT Pursuant to the provisions of Section 198,269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956(hereinafter referred to as the “Act” which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the appointment of Dr. Sudhakar Kondaj, as Executive Director, of the Company, for a period of 5 (Three) years with effect from 31st January, 2007 on the terms and conditions as mentioned in the explanatory statement.

“RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Dr.Sudhakar Konda as minimum remuneration during the currency of his tenure as mentioned in the explanatory statement, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Act, including amendments made thereto”

“RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956 and subject to the accordance of the requisite approvals, the board be and is here by authorized to revise the gross salary of the appointee by a maximum of 50% per annum”.

Report Junction.com

**BY ORDER OF THE BOARD
For VIVO BIO TECH LTD**

PLACE : HYDERABAD

DATE : 28.08.2007

**Dr.SUDHAKAR KONDA
EXECUTIVE DIRECTOR**

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 and such a proxy need not be a member of the company. Proxies in order to be effective must be filed with the company not later than 48 hours before the commencement of the meeting.
- b) The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.173 (2) of the Companies Act, 1956 is annexed hereto.
- c) The Register of Members and Share Transfer books of the Company will remain closed from 24th September, 2007 to 28th September, 2007 (both days inclusive).
- d) Members are requested to notify any change in their addresses to the Company immediately.

Annexure to the Notice**Explanatory statement pursuant to Section 173(2) of The Companies Act, 1956****Item#4**

Sri Swaminadham Madhira was appointed as an Additional Director of the company as per the provisions of Section 260 of the Companies Act, 1956 ("the Act") in the Board meeting held on 1st March, 2007. Pursuant to Section 260 of the Companies Act, 1956 Sri Swaminadham Madhira holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Sri Swaminadham Madhira. The profile of the Director is given hereto under the head additional information.

The Board recommends the above resolution for members approval in the Annual General Meeting.

None of the Directors is interested or concerned except Sri Swaminadham Madhira

Item# 5

The Board of Directors of the Company in its meeting held on 31st January, 2007, appointed Mr. Lanka Nagaraj as Managing Director for a period of 5 years with effect from 31st January, 2007 at such remuneration and as per the terms and conditions mentioned below subject to the approval of members,

Considering his competence, experience as also the envisaged growth in the activities of the company and as compared to remuneration presently being paid to persons in similar situations in the country, the terms of his appointment and remuneration as set out below are viewed to be just, fair and reasonable. He is holding one directorship in M/s. Shri Shri Resorts Private Ltd. He is not a member in the committees of any other company. He is having 8 years of rich cross functional experience in Biotechnology & Information Technology. A DBT (Department of Biotechnology Scholarship Holder) for period 1995 to 1997 and Having attended University of Hyderabad, also known as HCU (One of the premier and prestigious Central Universities of India) for Masters in Biotechnology and PGDBA (2 yrs full time, equivalent to MBA) from ICFAI Business School, Hyderabad Campus (one of the Top 20 Business Schools in India), Nagaraj brings joint domain expertise from both fields and drives Market Research, Operations and Information Technology Best Practices. Nagaraj is a certified Internal Quality Auditor for ISO 9001:2000 Series, endorsed by Ministry of Information Technology and an Oracle Certified Professional in Database Technologies.

The remuneration has been approved by the remuneration committee for a period of 3 years as per the provision of Schedule XIII of the Companies Act, 1956

As per the provisions of Schedule XIII of the Companies Act, 1956 appointment of Mr. Lanka Nagaraj, Managing Director requires the approval of the members in General Meeting. Hence, the above resolution at item# 5 is submitted to the meeting for ratification by the members of the company by passing a Special Resolution.

The Board of Directors commends the above resolution at Item# 5 for your approval.

None of the Directors of the Company except Mr. Lanka Nagaraj to the extent of his appointment as director is concerned or interested in this resolution.

The Particulars of remuneration payable to Mr. Lanka Nagaraj

a) Salary:

Rs. 60,000 p.m. which is inclusive of Dearness Allowance and all other allowances not otherwise specified herein.

b) Perquisites:

i) Housing

1) Residential accommodation or house rent allowance not exceeding 50% of the Salary. The appointee shall be allowed free use of the company owned furniture and other consumable durables, if required.

ii) Medical Expenses

Domiciliary Treatment - At actuals subject to a ceiling of Rs. 15,000 p.a for Mr. Lanka Nagaraj and his family

Hospitalisation - Mr. Lanka Nagaraj and his dependents will be covered by the Company's Medical Insurance Scheme.

iii) Phone rental and call charges will be paid by the Company at actuals for mobile phone. Charges for personal STD/Trunk Calls would be borne by Mr. Lanka Nagaraj

iv) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company.

v) Leave with full pay or encashment thereof as per the Rules of the Company.

vi) Mr. Lanka Nagaraj will further be entitled to reimbursement of actual entertainment and traveling expenses incurred by him for business purposes.

Item # 6

The Board of Directors of the Company in its meeting held on 20th January, 2007, appointed Dr.Sudhakar Konda as Executive Director for a period of 5 years with effect from 20th January, 2007 at such remuneration and as per the terms and conditions mentioned below subject to the approval of members,

Considering his competence, experience as also the envisaged growth in the activities of the company and as compared to remuneration presently being paid to persons in similar situations in the country, the terms of his appointment and remuneration as set out below

are viewed to be just, fair and reasonable. He is holding one directorship in M/s. Shri Shri Resorts Private Ltd . He is not a member in the committees of any other company.

He is a veterinarian by profession has extensive experience in breeding lab animals, maintenance of Lab Animal Facility, Pre Clinical Toxicology and practical knowledge in the areas of Molecular Biology, Protein Chemistry, Tissue Culture and Immunology.

He has hands on designing and turn key operations of developing an Animal House and has strong background in maintenance of Lab Animal Facility, Biotechnology, Practical knowledge of Pre Clinical / regulatory Toxicology and previously Worked in laboratories with highest of modern standards.

Skills and role

- Designing and Construction of animal facility as per GLP norms
- Establishing Toxicology Lab as per GLP norms: Establishing bio-chemical, Immunotoxicity, Genotoxicity and Histo-pathological labs as per GLP norms.
- Evolving various SOPs for all routine, breeding and experimental procedures
- Antibody production and purification: Rising antibodies against various recombinant proteins in rabbits and purification from the serum using affinity chromatography.
- Maintenance of animal facility as per the GLP guidelines
- Creation of Various animal models used in Bio-medical research for cell therapies.
- Developing monoclonal antibodies for various bio-molecules
- Developing various Therapeutic Proteins by Recombinant Technology.
- Designing and execution of toxicological studies: To evolve protocols for Pre clinical toxicology as per the guidelines of DCGI (Drug and cosmetic Act 1940 schedule 'Y') and OECD and ICH for various recombinant proteins.
- Documentation of Study Report: Preparation of final study report to be submitted to regulatory bodies DCGI and DBT for approval prior to clinical studies.

The remuneration has been approved by the remuneration committee for a period of 3 years as per the provision of Schedule XIII of the Companies Act, 1956

As per the provisions of Schedule XIII of the Companies Act, 1956 appointment of Dr.Sudhakar Konda, Executive Director requires the approval of the members in General Meeting. Hence, the above resolution at item# 6 is submitted to the meeting for ratification by the members of the company by passing a Special Resolution.

The Board of Directors commends the above resolution at Item# 5 for your approval.

None of the Directors of the Company except Dr. Sudhakar Konda to the extent of his appointment as director is concerned or interested in this resolution.

The Particulars of remuneration payable to Dr.Sudhakar Konda

a) Salary:

Rs. 2,00,000 p.m. which is inclusive of Dearness Allowance and all other allowances not otherwise specified herein.

b) Perquisites:

- i) **Housing**
Residential accommodation or house rent allowance not exceeding 50% of the Salary. The appointee shall be allowed free use of the company owned furniture and other consumable durables, if required.
- ii) **Medical Expenses**

Domiciliary Treatment- At actuals subject to a ceiling of Rs. 15,000 p.a for Dr. Sudhakar Konda and his family

Hospitalisation- Dr.Sudhakar Konda and his dependents will be covered by the Company's Medical Insurance Scheme.
- iii) **Phone rental and call charges** will be paid by the Company at actuals for mobile phone. Charges for personal STD/Trunk Calls would be borne by Dr.Sudhakar Konda
- iv) **Company's contribution to Provident Fund, Gratuity and encashment of leave** at the end of his tenure, payable as per rules of the Company.
- v) **Leave with full pay or encashment thereof** as per the Rules of the Company.
- vi) **Dr.Sudhakar Konda** will further be entitled to reimbursement of actual entertainment and traveling expenses incurred by him for business purposes.

**BY ORDER OF THE BOARD
For VIVO BIO TECH LTD**

**PLACE : HYDERABAD
DATE : 28.08.2007**

**Dr.SUDHAKAR KONDA
EXECUTIVE DIRECTOR**

Additional Information required to be furnished under the Listing Agreement

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

- | | |
|---------------------|---|
| 1. Name | : Swaminadham Madhira |
| Age | : 51 years |
| Qualifications | : Graduation |
| Expertise | : He has 25 years of rich experience in various areas such as finance, Human resources and administration |
| Other Directorships | : Nil |
| 2. Name | : P.V.V.Prasad |
| Age | : 41 years |
| Qualifications | : Graduation |
| Expertise | : An Experience of 10 years in Trading and business administration |
| Other directorships | : 2 |



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 20th **Annual Report** of your company together with the Audited Accounts for the year ended 31st March, 2007.

Financial Results

	(Amount in Rs. Lakhs)	
	2006-2007	2005-2006
Total Income	79.62	281.24
Profit before tax	(22.45)	7.05
Provision for Taxation	-	—
Deferred Tax Provision	0.23	0.30
Balance brought forward	(1.84)	(9.16)
Balance Carried to Balance Sheet	(24.58)	(1.84)

Financial Highlights

The total income of your company for the year 2006-07 was Rs. 79.62 Lakhs as against Rs.281.24 Lakhs in 2005-06.

Filing of Draft offer document with SEBI with regard to the offer for sale

As you are aware Bombay Stock Exchange Ltd (BSE) has directed the Company to go for offer sale of 25% of amalgamated capital in order to comply with the norms of listing agreement. The company has appointed M/s.Sobhagya Capital Options Ltd, Category 1 Merchant Bankers for the offer for sale. The merchant bankers are in the process to file the offer document with SEBI.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. P.V.V.Prasad retires by rotation at the forthcoming Annual General Meeting and eligible offer himself for reappointment.

Ms. Madhavi Latha Kompella Managing Director, T. Pavan Kumar, Whole time director resigned to their positions on 31.01.2007 and Dr.Valery Sagitov resigned on 1st March, 2007 due to their personal reasons. Dr.Sudhakar Konda appointed as Executive Director on 20.01.2007. Mr.Lanka Nagaraj appointed as Managing Director on 31.01.2007.

Mr. Swaminatham Madhira appointed as addl. Director in the board meeting held on 1st March, 2007.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that: