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Annual General meeting on Wednesday, September 30, 2009 at 2.00 p.m at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500 026. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

Board of Directors

Dr. Alangudi Sanakaranarayanan
Dr. Sudhakar Konda
Dr. Venugopal
Datuk. Kunasingam V. Sittampalam
Dr. V. Narasaiah
Jagan Mohan Rao Karpey

- Whole Time Director & CEO
- Executive Director & COO
- Director
- Director
- Additional Director
- Additional 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
Ph Nos. 27634445, 27638111
Fax No. 27632184

Registered Office:

Flat#608, 6th Floor
Lingapur Complex
Himayat Nagar,
Hyderabad-500029
Phone# Tel: 66784714; 66784719
Fax: 040-66776112

Date, Time and Venue of AGM

30.09.2009, 2.00 P.M
at Padmashali Kalyana Mandapam
West Marredpally, Secunderabad-26

Message from the CEO's Desk

Your New Chief Executive Officer



Dr. A. Sankaranarayanan is a discovery scientist with more than 35 years of experience in Pharmaceutical Research and Development.

He is an accomplished innovator with more than 30 patents in the field of Cardiovascular and Endocrine specialties. He has an experience of mentoring & guiding about 20 Research thesis and presented research papers in about 80 scientific conferences. His scientific contributions have resulted in over 70 research publications including in PNAS. He has a proven track record in establishing drug discovery and development facilities, and implementation of GLP standards/ accreditation for various pharma facilities. Prior to joining Vivo Bio Tech, Dr. Sankar was associated with various premier companies and academic institutions, which include – Torrent Pharma, GVK Biosciences, PGIMER, BITS, etc.

As we look to the future, we know that we will be operating in a globally challenging environment. We believe that we are beginning to witness the start of a transformational phase for Vivo Bio's various businesses as we strengthen our competitive edge through innovation and differentiation.

Dear Shareholders,

As the new CEO of your organization, it is my privilege to take this opportunity to present the achievements & milestones of your organization in the previous financial year and the direction we would like to lead to achieve the vision, mission & objective of your organization.

In 2009, we proudly celebrated our Twenty Second Anniversary as a Public Listed Company. This year your company marked its irrefutable presence in the Biotechnology & Pharmaceutical industry with state-of-art Infrastructure, robust knowledge teams, enviable product pipeline, and global business contacts offering significant value across the services spectrum and attracting large pharmaceutical & biotech companies from various parts of the globe for Biosimilars Development Partnerships & Contract Research Services.

I would like to introduce you to some of the substantial achievements & milestones of your organization during the past one year:

Biosimilars Development Progress

For the first time, Biosimilars are officially approved new versions of innovator bio-pharmaceutical products following patent expiry.

The Bio-pharmaceuticals industry is one of the fastest growing segments of the drug market with revenues for 2008 valued at US \$ 122.96 Bn. As you would rightly assume, some of the most expensive but effective drugs belong to this class and understandably governments, insurers etc are keen to bring down the cost of these medicines and to make it affordable to patients who may require such drugs. Currently the market for “biosimilars” is restricted to less-regulated markets about US \$ 1.39 Bn. However, with USA contemplating acceptance of biosimilars, it is estimated that by 2024, the revenues for biosimilars will reach US \$ 45.46 Bn.

In an endeavor to provide “Affordable Therapy”, your organization is working towards creating Biosimilars for such “blockbuster” bio-pharmaceuticals where the patents on the currently marketed biologics are due to expire during the 2009 – 2024 period. Your company has conceived a biosimilars molecule portfolio which is well balanced and can build an impressive product pipeline that can sustain business risks in the short, medium and long term.

With a team of 50+ experienced and skilled scientists and a state-of-the-art, fully equipped DSIR approved R&D laboratory, your company has developed a blue print for planned bio-similar portfolio

of 40 molecules which includes a decisive mix of Bio-Similar Recombinant Proteins and Bio-similar Monoclonal Antibodies which have a huge market potential in the coming decades, across all geographies. Your company has developed clones for 8 approved bio-similar molecules which are now in different stages of R&D pipeline with a go-to-market target between 2011 and 2015. These bio-Similars target serious indications like Oncology Supportive Care, Diabetes, Infectious diseases, and Osteoporosis. Among these 8 molecules, the innovators of 2 molecules have achieved blockbuster drug status in 2008, the market for which is expected to grow at a CAGR of 32%.

In the current financial year, your company has achieved a new milestone after having 2 new bio-similars promoted to the 'preclinical' stage of drug development making the total count of our bio-similar molecules in this stage to 3. Your company also has received approval from RCGM (Review Committee for Genetic Manipulation) for conducting preclinical studies for its three new biosimilars.

Preclinical Services Progress

With an endeavor to provide IND-enabling GLP studies in an environment comparable to the best in the world, during the year that has passed by, the team of your organization has been constantly working towards bringing to life a 125,000 sq. ft small animal and canine vivarium, which is getting ready for validations & accreditations. The facility has been designed and built in accordance with AAALAC international standards, and would adhere to GLP guidelines.

It is with pride that I would like to inform you that your company has successfully received Biotech specific SEZ (Special Economic Zone) status vide approval letter no. F. 1/139/2007-SEZ in January 2009 for its land spread in over 10.93 hectares in which the Pre-clinical Facility is located. The company now benefits from many tax incentives from the Govt. of India. Your company is amongst the first to have an operational Biotech SEZ in Andhra Pradesh.

In-vitro Services Progress

To be a true end-to-end service provider, in the current financial year your company has made significant progress towards initializing our In-vitro Service Capabilities. We have set-up an advanced laboratory to support our In-vitro services within our Biosimilars Development Lab. We have also expanded our team with scientists who have rich experience in pharmacology to support our hit to lead and Assay Development processes. Your organization has acquired expertise in a wide range of in-vitro services for both GLP and non-GLP studies that is required for various small to large Biotechnology & Pharmaceutical companies across the globe.

Clinical Services Progress

To ensure readiness to operate any phase of the clinical trial, the clinical team has been successful in tying up with several hospitals across India, over 70 Principal Investigators and partners for several other services. Your organization is now fully equipped to handle any requirement in this space and is currently undertaking marketing efforts to gain visibility & projects.

In conclusion, we strongly believe that the year 2010 will be a far exciting year for your organization in terms of revenues, as we are fully equipped to meet the needs of clients globally, having established state-of-art infrastructure, knowledge teams, and business contacts in niche markets.

I thank our bankers (Canara Bank, Overseas Branch) for enduring to trust Vivo Bio Tech Limited and for their timely support, our employees who had extremely performed good, and finally, thanks to our shareholders, for their consistent confidence in our company.

Dr. A. Sankaranarayanan
Chief Executive Officer

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Wednesday, the 30th day of September, 2009, at 2.00 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, 2009 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 Dr. Venugopal, who retires by rotation and being eligible to 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 Mr. K. Jagan Mohan Rao, 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”.

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

“RESOLVED THAT Dr. Alangudi Sankaranarayanan, 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

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

“RESOLVED THAT Dr. V. Narasaiah 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”.

7. 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.Alangudi Sankaranarayanan, as Whole Time Director & CEO, of the Company, for a period of 3(Three) years with effect from 31st July, 2009 on a monthly remuneration of Rs.2,50,000 Per month.

“RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Dr.Alangudi Sankaranarayanan, as minimum remuneration during the currency of his tenure, 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”.

BY ORDER OF THE BOARD

For Vivo Bio Tech Ltd

PLACE : HYDERABAD

DATE : 31.08.2009

N.MADHU SUDHANA REDDY

Company Secretary

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 26th September, 2009 to 30th September, 2009(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 Jagan Mohan Rao Karpey 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 5th March, 2009. Pursuant to Section 260 of the Companies Act, 1956 Jagan Mohan Rao Karpey 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 Jagan Mohan Rao Karpey. The profile of the Director is given hereto under the head additional information.

The Board recommends the above resolution for member's approval in the Annual General Meeting.

None of the Directors is interested or concerned except Mr. Jagan Mohan Rao Karpey

Item# 5

Dr. Alangudi Sankaranarayanan 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 31st July, 2009. Pursuant to Section 260 of the Companies Act, 1956 Dr. Alangudi Sankaranarayanan 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 Dr. Alangudi Sankaranarayanan. The profile of the Director is given hereto under the head additional information.

The Board recommends the above resolution for member's approval in the Annual General Meeting.

None of the Directors is interested or concerned except Dr. Alangudi Sankaranarayanan

Item# 6

Dr. V. Narasaiah 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 31st July, 2009. Pursuant to Section 260 of the Companies Act, 1956 Dr. V. Narasaiah 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 Dr. V. Narasaiah. The profile of the Director is given hereto under the head additional information.

The Board recommends the above resolution for member's approval in the Annual General Meeting.

None of the Directors is interested or concerned except Dr. V. Narasaiah

Item# 7

The Board of Directors of the Company in its meeting held on 31st July, 2009, appointed Dr. Alangudi Sankaranarayanan as Whole Time Director & CEO for a period of 3 years with effect from 31st July, 2009 at a gross remuneration of Rs. 2,50,000 p.m. 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 promotion and remuneration as set out below are viewed to be just, fair and reasonable. He has no other directorships and also not a member in the committees of any other companies.

Dr. A. Sankaranarayanan is a versatile and committed professional with wide experience and accomplishments in Pharmaceutical R&D Management, Drug Discovery Research and Academic Pharmacology.

The remuneration has been approved by the remuneration committee.

As per the provisions of Schedule XIII of the Companies Act, 1956 appointment of Dr. Alangudi Sankarnarayanan as Whole Time Director & CEO requires the approval of the members in General Meeting. Hence, the above resolution at item# 7 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# 7 for your approval.

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

Details as per Clause B (iv) of the Section II of Schedule XII of the Companies Act, 1956

I. GENERAL INFORMATION:**i) Nature of Industry****CONTRACT RESEARCH AND CONTRACT MANUFACTURING**

Research Development is the key to future & outsourcing the various activities have multifold advantage:

- Costs advantage
- Cut shorts the development life cycle
- Risk sharing and minimizing
- Availability of skilled resource

The outsourced space demand is estimated to be around US\$53BN.

India is emerging as a global pharma outsourcing hub this could be another outsourcing saga after IT and textiles as leading global professional services firm.

Many global companies are confronted by value crisis as they try to sustain a business model based on high cost of manufacturing, R& D, marketing, sales increasing regulatory protection of intellectual property are well positioned to attract large pharmaceutical companies, India being a prime example.

We are seeing a fundamental shift in Indian companies approach from business driven research to an increasing focus on research – driven business.

In the changing landscape, Indian companies are adopting a combination of alternative business models to navigate competition and opportunity. These include focusing on export led growth through subsidiaries or acquisition in high margin regulated markets, bolstering NSE research capabilities, partnering across the value chain with multinational through likening, collaborative R&D or co marketing arrangements and contract research and contract manufacturing.

2) Date of commencement of commercial production

“The company is previously into bulk drugs business”. But it has now entered into the CRO’s Business. Even though the company is earning some amount on outsourced contracts, but it has not started its full commercial production. By 1st April, 2010 the company is expected to start its operations in full.

3) Financial performance based on given indicators

	(Rs. In Lacs)		
Particulars	2008-09	2007-08	2006-07
Turnover	26.07	6.78	79.62
Net Profit	(197.74)	(155.72)	(22.45)

4) Export performance and net foreign exchange collaborations

Particulars	2008-09	2007-08	2006-07
Export Turnover	NIL	NIL	NIL

5) Foreign investments or collaborators, if any

The company has allotted equity shares to some foreign investors under preferential allotment as per SEBI guidelines in the year 2005-06.

II. Information about the appointee

i) Back Ground Details:

Dr. Alangudi Sankaranarayanan, is a Discovery Scientist with more than 35 years of experience in Pharmaceutical R&D. He has a unique blend of scientific & management experience in Drug Discovery and Development. Having originally started in Veterinary Science, he moved onto Clinical Pharmacology and later into Drug Discovery. He has proven expertise in setting up Drug Discovery & Development Centers of Excellence. He is an accomplished innovator with more than 30 patents in the field of Cardiovascular and Endocrine specialties. He has patented several molecules in the area of cardiovascular & metabolic disorders. He is an excellent mentor and team builder having guided about 20 Research theses and presenting research papers in about 80 scientific conferences. His scientific contributions have resulted in over 70 publications including PNAS and is an avid key persona in academic research and training. He has taught at PGIMER, Chandigarh and BITS affiliate programs. He has membership in several scientific societies such as Fellow of American College of Clinical Pharmacology, American Society of Pharmacology & Experimental Therapeutics (ASPET), Indian Pharmacological Society, Indian Society for Clinical Pharmacology & Therapeutics, Indian Society for Medical Statistics & Society of Toxicology.

ii) Past Remuneration

Dr. A. Sankaranarayanan has drawn Gross Salary of Rs. 30 Lakhs per annum in his previous employment.

iii) Recognition or awards

PROFESSIONAL SKILLS

- Ability to organize drug discovery and development research facilities
- Ability to design and execute research projects in diabetes, obesity and cardiovascular diseases, set up and validate relevant models and lead research teams

PROFESSIONAL ACCOMPLISHMENTS

(a) Drug Discovery & Development

- Organized the Discovery Biology facilities at the GVK Biosciences, Hyderabad and initiated drug discovery research outsourcing
- Organized the Pharmacology and related disciplines for drug discovery research at the Torrent Research Centre (TRC), Ahmedabad
- Organized discovery research teams at the TRC and successfully patented several molecules in the area of cardiovascular diseases and metabolic disorders
- Setup a safety testing facility at the TRC for NCEs, adopting OECD - GLP principles and obtained OECD – GLP certification for the facility

(b) Academic Research & Teaching

- Teaching pharmacology / clinical pharmacology at the Postgraduate Institute of Medical Education & Research, Chandigarh
- Organized and conducted Distance School in Pharmacy at the Torrent Research Centre for M Pharm. & Ph.D. under the Birla Institute of Technology & Sciences (BITS), Pilani as a Honorary Adjunct Professor of the BITS
- Guided about 20 research theses in pharmacology and related disciplines at the PGIMER, Chandigarh.
- Published more than 70 research publications
- Presented research findings in more than 80 scientific conferences including the IUPHAR congresses held at Sydney and Amsterdam.

iv) Job profile and his suitability

Dr. Alangudi Sankaranarayanan will act as CEO of the company whereby he will guide the company in its CRO operations and drug discovery services and development. He will direct the team in R&D and guide them to develop new molecules.

Dr. Alangudi Sankaranarayanan, is a Discovery Scientist with more than 35 years of experience in Pharmaceutical R&D. He has a unique blend of scientific & management experience in Drug Discovery and Development. He has proven expertise in setting up Drug Discovery & Development Centers of Excellence. He is an accomplished innovator with more than 30 patents in the field of Cardiovascular and Endocrine specialties. He has patented several molecules in the area of cardiovascular & metabolic disorders. He is an excellent mentor and team builder having guided about 20 Research theses and presenting research papers in about 80 scientific conferences. His scientific contributions have resulted in over 70 publications including PNAS and is an avid key persona in academic research and training.