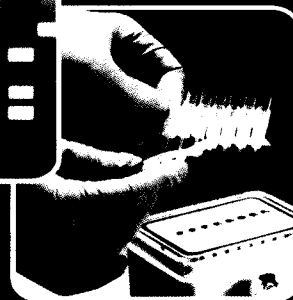
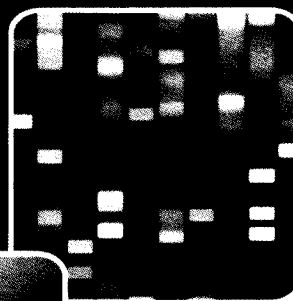




Vivo Bio Tech Ltd

Your Drug Discovery Partner



2012

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Annual General meeting on Saturday, September 29, 2012, at 1.00 P.M at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500026. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

Registered Office:

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

Auditors:

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

Bankers

M/s. Canara Bank
Overseas Branch
Adarsh Nagar
Hyderabad

M/s Bank of Baroda,

Marredpally Branch,
Secunderabad

Registrars & Share Transfer Agents

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

Board of Directors

Dr. Alangudi Sankaranarayanan
-Whole Time Director & CEO

K. Sri Kalyan

-Whole Time Director

Kunasingam V.Sittamapalam

-Director

M. Kalyan Ram

-Director

K. Sunder

- Director

Date, Time and Venue of AGM

29.09.2012, 1.00 P.M

at

Padmashali Kalyana Mandapam West Marredpally,
Secunderabad-26

CEO's Message

There has never been a more exciting time to be at Vivo Bio Tech Limited. We are robustly positioned to meet our clients need to hasten outsourcing to advance the speed and productivity of their research and development functions.

In 2012, we proudly celebrated our Twenty Fifth Anniversary as a Public Listed Company. This year has been a milestone in the history of Vivo Bio Tech Limited. This year marked the company emerging as an Integrated Biotech - CRO player having created a sustainable and diversified business with a growing international presence and a market leading portfolio of Drug Development Services.

A future filled with opportunities

Many large pharmaceutical and biotech companies are faced with severe monetary realities that prompt them to clinch outsourcing as a strategic alternative to investing in fixed-cost internal development capacity. Also, these companies do not have in place, nor does it make profitable sense for them to establish, the in-house capabilities to move their compounds through the regulatory process.

Despite the financial crunch and a drop in early-stage research, a report conducted by Business Insights states that the global CRO market is expected to grow 14% per year during the next three years, making contract research a \$35 billion industry by 2013.

According to Frost & Sullivan, despite the existence of CROs for over two decades now, the penetration rate of outsourcing, as a percentage of the total R&D spending, is less than 25.0 percent. "Hence, there is great potential for CROs to grow through just expansion."

Although growth has slowed in the recent years, the Asia Pacific region remains one of the highest growth regions specifically in the area of outsourcing and therefore remains a high priority for global pharma companies.

These key market dynamics create a mature environment for sizeable volumes of outsourcing and bode well for significant and continuous industry growth. Overall, the outsourcing market is poised to return to healthier growth rates from 2012.

Vibrant growth

During the year under consideration, we secured projects from clients across UK and India and are in discussions with various US clients for strategic partnerships.

One of the recombinant proteins being developed by the company, i.e., targeted for Oncology Supportive Care has been successfully appraised by BIPP (Biotechnology Industry Partnership Program Initiative), Department of Biotechnology for a soft loan of `265.85 Lakhs. In April 2012, DBT has provided the first installment of `79.75 Lakhs towards implementation of the project.

The company also made an application with National GLP Compliance Monitoring Authority for GLP certification. In May 2012, the preliminary site visit by has been completed. The company is gearing up for the final audit which is anticipated in the last quarter of 2012.

In August 2012, the company successfully received 'Breeding & Trading' license for Rodents from Committee for the Purpose of Control and Supervision on Experiments on Animals (CPCSEA). The company already has set up the required infrastructure and ready to start the commercial supply of Specific Pathogenic Free Rodents to the biomedical research community from September 2012.

The company also has applied with CPCSEA for conducting experimentation on Canines. We anticipate receiving the license after completing the statutory requirements.

The company has entered into Sale & Lease back transaction of its Preclinical Research Facility with NYSE listed Alexandria Real Estate Equities. This has resulted in leveraging the capital cost held up in setting up the facility.

It has been extremely difficult for us to get new Units in our SEZ because of the macroeconomic downtrend. We would like to focus all our efforts on our CRO services, which we are able to record significant business prospects. Also, some of renowned DTA clients are approaching us for services. However, they are not willing and not able to pay in foreign currency towards services rendered, as instructed by our Specified Officer. In view of the above, we have applied and successfully received approval from Ministry of Commerce for de-notification.

During the year under consideration, the company has aggressively increased its marketing efforts and has been exhibiting in various international conferences. Few of which include – AALAS, ToxExpo, etc.

As of July 31, 2012 we had 96 employees.

Outlook 2012

We strongly believe that 2013 will be a far exciting year for Vivo Bio Tech Limited 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.

I thank our bankers 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, Ph.D., F.C.P.

Chief Executive Officer
Vivo Bio Tech Limited

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Saturday, the 29th day of September, 2012, at 01.00 PM 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, 2012; 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. Datuk Kunasingam V.Sittampalam who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s. P. Murali & Co., Chartered Accountants, (ICAI Reg.No 007257S) 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 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 re- 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, 2012 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 of 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 : 30-08-2012

K. SRI KALYAN
Whole Time Director

Important Communiqué to Members - Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliance by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

NOTES

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b) The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 20th September, 2012 to 29th September 2012 (both days inclusive)
- c) 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

The Terms of appointment of Dr. Alangudi Sankaranarayanan as Whole Time Director & CEO of the Company completed on 30th July, 2012. The Board of Directors in their meeting held on 12th May, 2012, reappointed Dr. Alangudi Sankaranarayanan as Whole Time Director & CEO for a period of 3 years with effect from 31st July, 2012 on a monthly remuneration of Rs. 2,50,000 Per month subject to the approval of members.

Considering his competence, experience and 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 reappointment and remuneration as mentioned above are viewed to be just, fair and reasonable.

The remuneration has been approved by the remuneration committee.

As per the provisions of Schedule XIII of the Companies Act, 1956, reappointment of Dr. Alangudi Sankaranarayanan, Whole Time Director requires the approval of the members in General Meeting. Hence, the above resolution at item# 4 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# 4 for your approval.

None of the Directors of the Company except Dr. Alangudi Sankaranarayanan to the extent of his appointment as Whole Time 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.

ii) Financial performance based on given indicators (Rs. In Lacs)

Particulars	2011-12	2010-11	2009-10
Turnover	1252.96	954.45	411.73
Net Profit	70.72	(155.19)	(136.59)

iii) Export performance and net foreign exchange collaborations (Rs. In Lacs)

Particulars	2011-12	2010-11	2009-10
Export Turnover	33.76	25.47	NIL

iv) 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 38 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 MPharm. & 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 39 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 person in academic research and training.

PROFESSIONAL EXPERIENCE

Dr. Sankaranarayanan has held key positions in academic research and Pharmaceutical R&D. He has been the head, Biology at GVK Bio-Sciences, Hyderabad, Senior Advisor (Discovery) at the Torrent Research Centre, Torrent Pharmaceutical Ltd., Ahmedabad and Additional Professor of Pharmacology at the Postgraduate Institute of Medical Education & Research, Chandigarh.

v) Remuneration Proposed

The remuneration proposed to Dr. Alangudi Sankaranarayanan is a Gross salary of Rs. 2,50,000 Per Month.

vi) Comparative Remuneration profile with respect to industry, size of the company, profile of the respect to industry, size of the company, profile of the position and person