

Vivo Bio Tech Ltd

Your Drug Discovery Partner

28th 2015

ANNUAL

REPORT



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Annual General meeting on Wednesday, September 30, 2015 at 1.00 PM 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.

Registered office:

608,lingapur complex, Himayatnagar,
Hyderabad-500 029,
Telangana.

Auditors

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

Main Bankers

M/s. Bank of Baroda
West Marredpally Branch,
Secunderabad.

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

Kalyan Ram Mangipudi

Whole Time Director

Alangudi Sankaranarayanan

CEO & Whole Time Director

Kunasingam V Sittampalam

Independent Director

Sunder Kanaparthi

Independent Director

Hariharan R

Independent Director

Sharmistha Manna

Independent Director

Challapalli Varun Kumar

Company Secretary

Srinivasu Padala

Chief Financial Officer

CEO's Message

Today almost all the biopharmaceutical companies have recognised that the research and development cost has been rising exponentially while the productivity of this work measured by the number of new drugs approved each year has remained low. To resolve this problem, most of the companies have taken major initiatives, including changing their R&D strategies and focuses.

On the positive side, the industry is currently focusing on proof-of-concept study, development and incorporation of biomarkers into early stage R&D, and development of biologic drugs including biosimilars. The research in these areas is expected to lead to strong demands for preclinical development service in the foreseeable future.

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 family on achieving the GLP certification making us at par with all International accredited preclinical laboratories with respect to Good Lab Practices.

GLP accreditation is recognized across OECD countries as a testament of highest quality of lab processes, internationally accepted results and interoperability of international lab protocols. Considering the handful list of GLP accredited labs in India, this accreditation significantly opens doors in the western market for seeking Contract research opportunities. The fact that efforts toward this started 4 years back, this accreditation attests the focused and consistent effort made by the team over the past few years. That the company also saw multiple successful audits and visits from customers, regulators and partners, including the renewal of our AAALAC accreditation, attests the highest quality standards maintained by the preclinical laboratory.

The consistent growth over the past year, moves the purpose bred laboratory animal supply business from an entrepreneurial high investment high risk business to a stable, growing and predictable source of steady cash flows. The major investments made in building and maintaining the largest lab animal house in the country have now truly started generating organic cash as witnessed over the past 12 months. That we could win over 50 customers in 12 months, constituting over 60% of the customer share, shows the strong promise of the business and undeniable leadership position offered in this field.

The cell line development and associated drug discovery activities have also seen significant momentum with continued support from Govt. of India agencies namely SBIRI which have supported the projects through funding as well as technical oversight. Vivo Bio Tech signed up technical partnerships with reputed international Biosimilar companies like Biosidus, Argentina and Vasgene, USA to strengthen the development and roll out of low cost high quality Biosimilar drugs.

Outlook FY2015

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 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 & Whole Time Director

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on Wednesday, the 30th day of September, 2015, at 1.00 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended March 31, 2015, 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, 2015.
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. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th September, 2014, the appointment of M/s. P.Murali & Co, Chartered Accountants (ICAI Reg. No. 007257S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.”

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 pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualifications of directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mrs. Sharmistha Manna (DIN: 07099241) who was appointed as Additional Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 33rd Annual General Meeting of the Company in the calendar year 2020.”

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

PLACE : HYDERABAD
DATE : 31/08/2015

Challapalli Varun Kumar
Company Secretary

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 compliances 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 relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.102 of the Companies Act, 2013 is annexed hereto. Particulars of the Directors who are proposed to be appointed /re-appointed at this meeting as required under Clause 49 of the Listing Agreement is provided in Corporate Governance. 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 23rd September, 2015 to 30th September 2015 (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. Aarthi Consultants Private Ltd,
- f) 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. Aarthi Consultants Private Limited.
- g) 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.
- h) The Company has appointed Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretary as Scrutinizer for conducting e-voting process for the 28th Annual General Meeting of the Company in a fair and transparent manner

i) 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 28th Annual General Meeting (AGM) to be held on 30th September. 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 Saturday, 26th September, 2015 at 9.00 a.m. and ends on Tuesday, 29th September at 5.00 p.m. During this period shareholders' of the company, holding shares either in Physical Form or Dematerialised form, as on the cut off date 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

Instructions for e-voting

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

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

iv) Next enter the Image Verification as displayed and Click on Login.

v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001(Which is printed on address label) in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank account Details	Enter the Dividend Bank Details as recorded in your demat account or in the Bank company records for the said demat account or folio. Please enter the DOB or Details Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id.

vii) After entering these details appropriately, click on "SUBMIT" tab.

- viii) Members holding shares in Physical form will then reach directly to the voting screen.
- ix) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- x) Click on the relevant EVSN for the "Vivo Bio Tech Limited" on which you choose to vote.
- xi) On the voting page, you will see Resolution Description and against the same the option 'YES/ NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) Note for Non-Individual Shareholders & Custodians:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

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

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

They should 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 under help section or write an email to helpdesk.evoting@cdslindia.com

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

PLACE : HYDERABAD
DATE : 31/08/2015

Challapalli Varun Kumar
Company Secretary

Explanatory Statement Pursuant to section 102 of the Companies Act, 2013

Item No. 4

Mrs. Sharmistha Manna was appointed as Additional Director of the Company on 20th March 2015 in the category of women Director of the company. As she is additional Director her Directorship ceases on the date of this Annual general meeting.

Details of her other directorships are given in Directors Report. Mrs. Sharmistha Manna does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013,. Mrs. Sharmistha Manna being eligible for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2020. A notice has been received from a member proposing Mrs. Sharmistha Manna as a candidate for the office of Director of the Company.

In the opinion of the Board, Mrs. Sharmistha Manna fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs. Sharmistha Manna as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Sharmistha Manna as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Sharmistha Manna as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Sharmistha Manna, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Brief Profiles of Directors seeking appointment/re appointment

1	Name	Sharmistha Manna
	Age	31
	Qualification	MBA
	Experience	She has 8 years of experience in the field of Business Development, strategic Planning and Market Research
	Membership of committee	NIL
	Shareholding	NIL
	Other Directorships	NIL
2	Name	M Kalyan Ram
	Age	37
	Qualification	MBA
	Experience	He has 15 years of experience in the field of Accounting , Finance and Administration
	Membership of committee	NIL
	Shareholding	NIL
	Other Directorships	NIL