

A close-up photograph of a person wearing white gloves using a microscope. The person's hand is visible, adjusting the stage of the microscope. The microscope is white and blue. The background is a blurred laboratory setting. The image is overlaid with a geometric design consisting of various shades of blue and green triangles and polygons.

Vivo Bio Tech Ltd.
Your Drug Discovery Partner

30th
ANNUAL REPORT
2017

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30th Annual General meeting on Thursday, 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. 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:

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)

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 28th 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 35th 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 26th 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 26th 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 29th August, 2017 (i.e., thirty days prior to the date of General Meeting-28th 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 : 28th 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. Aarthi Consultants Private Ltd, Unit: Vivo Bio Tech Limited, 1-2-285, Domalguda, Hyderabad-500 029 Email-info@aarthiconsultants.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. Aarthi 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 30th 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 30th AGM and the Annual report for the FY 2016-17 will be available on the company's website i.e., 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 30th 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, 25th September, 2017 at 9.00 a.m. and ends on Wednesday, 27th 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 21st 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
- 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	<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"> 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.