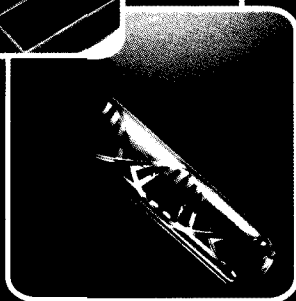
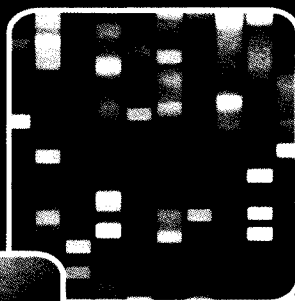




Vivo Bio Tech Ltd

Your Drug Discovery Partner



2012

C O N T E N T S

Board of Directors.....	02
Message from the CEO.....	03
Notice.....	05
Directors Report.....	12
Corporate Governance Report.....	16
Management Discussion and Analysis Report.....	22
Auditors Report.....	27
Balance Sheet	31
Statement of Profit and Loss	32
Cash Flow Statement.....	33
Significant Accounting Policies	34
Notes forming part of the Balance Sheet & Statement of Profit and Loss	35
Balance Sheet Abstract and Company's General Business profile.....	44
Consolidated Financial Statements.....	46

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

The Comparative remuneration with respect to industry and size of the company are not available as this company is engaged in new line of activity i.e Contract Research & Manufacturing Services. No industry standards are available.

The Proposed remuneration commensurate with the qualifications and experience and expertise in the relevant field.

- vii) **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any.**

Dr.Alangudi Sankaranarayanan has no relation with any other directors in the company.

III. OTHER INFORMATION

The company has built in world class infrastructure with GLP compliant facilities to service the outsourcing needs of the pharmaceutical industry.

BY ORDER OF THE BOARD OF DIRECTORS
For Vivo Bio Tech Ltd

PLACE : HYDERABAD
DATE : 30-08-2012

K. SRI KALYAN
Whole Time 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 | : | Datuk Kunasingam V. Sittampalam |
| | Age | : | 59 years |
| | Qualifications | : | Bachelor of Engineering (Hons) and Master of Engineering, Sheffield University, United Kingdom |
| | Expertise | : | As a director to HSS intesys Sdn Bhd the IT Subsidiary of HSS integrated Group, providing value added services in engineering software, planning and scheduling work. At HSS integrated, he has been the project director involved in overall project |
| | Other Directorships | : | Virinchi Technologies Limited |
| | Membership of Committee | : | NIL |
| | Shareholding | : | NIL |
| 2. | Name | : | Dr. Alangudi Sankaranarayanan |
| | Age | : | 69 years |
| | Qualifications | : | MVSc, Doctor of Philosophy (Pharmacology) |
| | Expertise | : | 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 Medicine, 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 research publications including in PNAS and is an avid key person in academic research and training |
| | Other Directorships | : | NIL |
| | Membership of Committee | : | NIL |
| | Shareholding | : | NIL |

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 25th Annual Report of your company together with the Audited Accounts for the year ended 31st March, 2012.

Financial Results

(Rs. in Lakhs)

Particulars	2011-12	2010-11
Total Income	1,252.96	954.45
Profit before interest, Depreciation and Tax	534.80	367.92
Interest	340.33	272.11
Depreciation	208.23	162.51
Provision for Taxation/Deferred Tax provision	Nil	Nil
Profit after interest, Tax and depreciation	70.72	(155.19)
Deferred Tax provision	(84.48)	88.48
Balance brought forward	682.25	(527.06)
Balance Carried to Balance Sheet	(611.53)	(682.25)

BUSINESS PERFORMANCE

Revenues: The total income of the Company for the FY 2011-12 comprises operating revenues of 1252.96 Lacs as against Rs. 954.45 Lacs in FY 2010-11

Profits: Profit before Tax (PBT) stood at Rs. (13.76) Lacs as against Rs. (66.70) for the previous year. Profit after Tax (PAT) stood at Rs. 70.72 Lacs as against Rs. (155.19) Lacs for the previous year.

Reserves and Surplus

During the year the Company has not transferred any amount to Reserves and Surplus.

Material changes and commitments;

There are no material changes and commitments occurred between the end of the financial year of the company and the date of the report affecting the financial position of the company

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Datuk Kunasingam V. Sittampalam retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, directorships in other companies as stipulated under clause 49 of the listing agreement with the stock exchanges in India are provided in the report on corporate governance.

Demat permission from NSDL :

The company has received Demat permission from NSDL and ISIN is INE380K01017.

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:

- i) In the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed and there are no material departures.
- ii) We have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2012 and of the loss of the company for the financial year ended 31st March 2012.
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) We have prepared the annual accounts for the financial year ended 31st March, 2012 on a going concern basis.

Auditors and Audit Report

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The company has received letter from the Statutory auditors to this effect that their reappointment, if made would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of section 226 of the said act.

Fixed Deposits

The Company has not accepted fixed deposits as on 31st March, 2012 so as to attract the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of the Deposits Rules) 1975 as amended from time to time.

PARTICULARS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Pursuant to the provisions of Section 212 of the Companies Act, 1956 (Act), documents in respect of the various subsidiaries viz., Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are required to be attached to the Balance Sheet of the holding company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs, has vide letter No. 47/15/ 2011-CL-III dated 27 January 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries of the Company. However, the Company will make available the audited annual accounts and related detailed information of the subsidiaries to the shareholders upon request in accordance with the applicable law. These documents are also available for inspection at the Registered Office of the Company during business hours.

A statement pursuant to the provisions of Section 212(1)(e) of the Act appears elsewhere in the Annual Report.

Subsidiary Companies

The financials pertaining to subsidiary companies have been given elsewhere in this report.

Consolidated Financial Statements

In accordance with the Accounting Standards AS-21 and AS-27 on Consolidated financial Statements read with the Accounting Standard AS-23 on Accounting for investments in Associates, the Audited consolidated financial statements are provided in the annual report.

Particulars required under Section 217(e) of the Companies Act, 1956 read with rule 2 of the Companies (Disclosure of particulars in the Board of Directors) Rules, 1988 is given as annexure to the Report.

Particulars of Employees

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that there are no employees in receipt of remuneration of Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- or more per month where employed for a part of the year.

Report on Corporate Governance

Your Company had taken steps and complied with most of the recommendations during the year. For the year under review the Compliance Report is provided in the Corporate Governance section in this Report. The Auditors certificate on Compliance with the mandatory requirements of Corporate Governance is given in Annexure to this Report.

Management Discussion and Analysis

This has been dealt with in the separate Annexure to this Report.

Acknowledgments

Your directors would like to place on record their appreciation of support, co-operation and assistance received from the company's clients, Central Government authorities, bankers, shareholders and suppliers. The board wishes to convey its appreciation of hard work, solidarity, cooperation and support put in by the company's employees at all levels in enabling such growth.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Vivo Bio Tech Ltd

PLACE : HYDERABAD
DATE : 30-08-2012

K. SRI KALYAN
Whole Time Director

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

Annexure to the Directors Report

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31st, 2012

A. Conversation of Energy:

During the year the company has taken significant measures to reduce the energy consumption by using energy efficient machines and equipment:

B. Consumption per unit of Production:

The disclosure of consumption figures per unit of production is not meaningful as the operations of the company is not power intensive and involves multiple products:

Form A

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Power and Fuel Consumption		
1. Electricity.		
a. Electricity Purchase Units	10,14,192	Rs. 6,57,966
Total amount	Rs. 53,77,681	Rs. 46,05,763
Rate per unit (Average)	Rs. 5.30	Rs. 7/-
b. Own Generation from Diesel	NIL	NIL
Generator Unit Rate per Unit	NA	NA

Form B

A. Specific Areas in which R&D work has been carried out by the company

- Molecular Biology: Cloning of desired gene in the appropriate vector and also optimization of the expression of desired protein in appropriate host.
- Fermentation: Optimizing the fermentation process of E.Coli harboring the plasmid containing the gene of interest.
- Protein Purification: Development of purification techniques for various proteins. This include wide range of chromatographic techniques like ion exchange, reverse phase, hydrophobic interaction column, gel filtration, affinity chromatography etc.
- Bioassay: in vivo and in vitro activity assay standardization of various proteins.
- Quality Control: We do the physico-chemical and biochemical/immunological characterization of various proteins

B. Benefits derived as a result of R&D (Wet Lab) Activities

- Cloning of gene of interest for getting maximum expression of the desired protein from desired host such as E.Coli or yeast.
- Solving complicated projects such as purification of untagged and low-expressing proteins. Purification of enzymes
- Purification of antibody required in R&D and Quality control lab.
- Bioassay development of different proteins.

C. Future plan of action

- Research and Development activity for further improvement of quality and yield of desired protein to get cost effective technology, that can minimize the cost incurred to customers.
- Establishment of radioactive lab for providing services in the area of bioassay development, and also for different laboratory experiment.
- Establishment of Mammalian and Pichia cell culture lab for providing specific services associated.

D. Foreign Exchange Earnings

Inflow : **Rs. 33.76 Lacs**

Outflow: **Rs. 59.01 Lacs**

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY:

Vivo Corporate Philosophy envisages complete transparency and adequate disclosure with an ultimate aim of value creation for all players i.e. stakeholders, creditors, employees. Vivo is committed to the adoption of best governance practices and its adherence in the true spirit at all times.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Your Company has 5 Directors comprising of 2 Executive directors and 3 Independent Non-Executive directors which is in compliance with the clause 49 of the Listing Agreement

b) Attendance of each Director at the Board Meetings and the last AGM and their Category:

During the Financial Year 2011-12, the Board of Directors met 6 times on the following dates:

28th April, 2011, 13th May 2011, 06th August, 2011, 01st September, 2011, 12th November, 2011 and 10th February, 2012

The attendance of each Director is given below:

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of other Directorships #	Committee Memberships	Committee Chairmanship
Dr. A. Sankaranarayanan	Whole Time Director & CEO	3	Yes	-	-	-
K. Sri Kalyan	Whole Time Director	6	Yes	-	-	-
M. Kalyan Ram	Independent Non-Executive Director	6	Yes	-	-	-
K.V.Sittampalam	Independent Non-Executive Director	-	-	1	-	-
K.Sunder	Independent Non-Executive Director	5	Yes	-	-	-

The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, section 25 companies and private limited companies.

- In accordance with clause 49, memberships/chairmanships of only the Audit Committee and shareholders/ investors grievance committees all Public Limited Companies (Excluding Vivo Bio Tech Ltd) have been considered.
- Apart from receiving sitting fee for attending meetings, the independent directors do not have any material pecuniary relationships or transactions with the company, promoters, directors, senior management or its holding company, subsidiaries and associates which may affect independence of the director;
- The Independent director is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- The independent directors have not been executives of the company in the immediately preceding three financial years;
- They are not partners or executives or were not so during the preceding three years of the -statutory audit firm or the internal audit firm that is associated with the company -Legal Firm(s) and consulting firm(s) that have a material association with the company

- The Independent Directors are not material suppliers, service providers or customer or a lessors or lessees of the company, which may affect their independence
- They are not substantial shareholders of the company i.e. don't own 2 percent or more of the block of voting shares.

3. AUDIT COMMITTEE:

During the year under review Five (5) meetings were held for approval of Unaudited Financial Results.

The constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Director	Designation	Nature of Directorship	Attendance
Kalyan Ram Mangipudi	Chairman	Independent Non-Executive Director	5
Dr. Sankaranarayanan	Member	Whole Time Director	3
K. Sunder	Member	Independent Non-Executive Director	5

The Meetings of Audit Committee were also attended by the representatives of Statutory Auditor as Invites. The Un-audited financial results for each quarter are recommended by the Audit Committee before passed on to the Board of Directors for approval and adoption.

Terms and reference of the Audit Committee include a review of;

- Financial reporting process
- Draft financial statements and auditor's report (before submission to the Board)
- Accounting policies and practices
- Internal controls and internal audit systems
- Risk management policies and practices
- Related party transactions
- Internal audit reports and adequacy of internal audit function

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan and fixation of audit fee and also approval of payment of fees for any other services.

4. REMUNERATION COMMITTEE:

The Remuneration Committee is constituted as follows.

Name of the Director	Designation	Nature of Directorship
M. Kalyan Ram	Chairman	Independent
Kunasingam V. Sittampalam	Member	Independent
K. Sunder	Member	Independent

Details of remuneration to the directors for the Year:

Name of the Director	Relationship with other Directors	Business relationship with company if any	Loans and advances from company	Remuneration paid During the year 2011-2012			
				Sitting fee Rs.	Salary Rs.	Perquisites Rs.	Total Rs.
Dr. A. Sankaranarayanan	None	None	None	-	30,00,000	-	30,00,000
K. Sri Kalyan	None	None	None		8,85,000	-	8,85,000
M. Kalyan Ram	None	None	None	20,000		-	20,000
K. Sunder	None	None	None	15,000		-	15,000

Shares held by Non-Executive Directors as on 31st March, 2012 are as follows:

Sl.No	Name of the Non-Executive Director	No. of shares held as on the Date
1.	M.Kalyan Ram	NIL
2.	Kunasingam V. Sittampalam	NIL
3.	K. Sunder	NIL

5. INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:

The Board constituted an investors' grievance committee which looks into shareholders and investors grievances under the Chairmanship of M. Kalyan Ram who is an Independent and Non- Executive director. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Board of Directors has delegated the power of approving transfer of securities to M/s. Aarthi Consultants Private Limited.

Name	Designation	Category
M. Kalyan Ram	Chairman	Independent Non-Executive Director
K. Sri Kalyan	Member	Executive and Non-independent Director
K. Sunder	Member	Independent Non-Executive Director

Name & Designation of the Compliance officer: **Mr. K. Sri Kalyan , Whole Time Director**

The total No. of Complaints received and complied during the year were;

Opening: 1 Complaints Received: 15 Complied:- 15 Pending: 1

The Complaints had been attended to within seven days from the date of receipt of the complaint, as communicated by our Registrars and Share Transfer Agents M/s. Aarthi Consultants Pvt. Ltd.

The outstanding complaints as on 31st March, 2012 were: 1

6. a) Details of Annual General Meetings: Location and time of the last three AGM's.

Financial Year	Date & Time	Venue	Nature of Special Resolutions if any, passed
2010-11	29.09.2011, 04.00 PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad-500026	NIL
2009-10	29.09.2010, 02.00 PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad-500026	1. Appointment of K.Sri Kalyan Whole Time Director 2. Issue of Warrants under Preferential Allotment guidelines to Promoters and Strategic Investors
2008-09	30.09.2009, 02.00 PM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad-500026	Appointment of Dr. A. Sankaranarayanan as Whole Time Director

b) None of the Resolutions were put through postal ballot in the last year.

7. Disclosures

- A. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large: Details are given elsewhere in this report.
- B. Details of non-compliance by the company, penalties, Strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

8. Means of Communications:

As per the listing requirements, the company published periodical financial results in Business Standard and Andhra Bhoomi. The Management Discussion and Analysis (MD&A) forms part of Annual Report.

9. General Shareholder information

- a) AGM: Date, Time and Venue : 29th September, 2012 at 01:00 PM, at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Maredpally, Secunderabad-500026. Andhra Pradesh.
- b) Financial Year : 1st April to 31st March
- Financial Reporting for** :
- | | |
|-----------------------------------|------------------------------|
| Quarter ending June 30, 2012 | Before end of August, 2012 |
| Quarter ending September 30, 2012 | Before end of November, 2012 |
| Quarter ending December 31, 2012 | Before end of February, 2013 |
| Quarter ending March 31, 2013 | Before end of May, 2013 |
- c) Date of Book Closure : 20.09.2012 to 29.09.2012 (both days inclusive)
- d) Listing on Stock Exchanges : The Company's Equity shares are listed on the Bombay Stock Exchange (BSE)
- Payment of Listing Fee : The Company has paid the listing fees to the BSE for the financial year 2012-13
- e) Stock Code : BSE: 511509
- Demat ISIN in NSDL and CDSL : INE380K01017

f) Market Price Data :

Note: During the year, shares of the company were not traded in the Bombay Stock Exchange Ltd. Hence, the monthly high and low of the stock quotations in respect of the same are not furnished.

- g) Registrar and share transfer agents : M/s. Aarthi Consultants Pvt Ltd. 1-2-285, Domalguda, Hyderabad -500 029. Ph: 27634445, 27638111 Fax: 27632184
- h) Share Transfer System : The Share transfers are being effected physically by the Company's share transfer agents, M/s. Aarthi Consultants Pvt. Ltd, Hyderabad.

I) Distribution Shareholding as on 31st March, 2012

Share Holding of	Share HoldersNumber of Share			Nominal Value	
	Rs.	Numbers	% of Total	No	% of Total
	(1)	(2)	(3)	(4)	(5)
Upto	5,000	5893	98.94	218107	2.33
5,001	10,000	12	0.2	7710	0.08
10,001	20,000	10	0.17	12960	0.14
20,001	30,000	02	0.03	4730	0.05
40,001	50,000	02	0.03	10000	0.11
50,001	1,00,000	06	0.1	52777	0.56
1,00,001	And above	31	0.52	9044236	96.72
Total		5956	100.00	9350520	100.00

j) Categories of shareholders as at 31st March 2012

	Category	No. of Shares held	% of Shareholding
A	PROMOTER'S HOLDING:		
1.	Promoters*		
	- Indian Promoters	5239083	56.03
	- Foreign Promoters	1185000	12.67
2.	Persons acting in Concert	Nil	Nil
B.	NON-PROMOTERS HOLDING		
3.	Institutional Investors	Nil	Nil
a.	Mutual Funds	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-government Institutions)	Nil	Nil
c.	FII's	Nil	Nil
4.	OTHERS		
a.	Private Corporate Bodies	1358570	14.53
b.	Indian Public	267867	2.87
c.	NRIs / OCBs	1300000	13.90
d.	Any other (please specify)	Nil	Nil
	TOTAL	9350520	100.00

- | | | | |
|----|---|---|---|
| k) | Dematerlization of Shares and liquidity | : | The Company has entered into agreement with CDSL and also NSDL 15.77% of the Company's share capital is dematerialized as on 31.03.2012 |
| l) | Outstanding GDRs./ ADRs./ Warrants
or any Convertible instruments
Conversion date and likely Impact On equity | : | The Company has not issued any ADR's/GDR's and also no warrants are pending for conversion |
| m) | Address for Correspondence | : | 608, Lingapur Complex, Himayat Nagar,
Hyderabad - 500029 |

Non -Mandatory Requirements:

The Company has already set up a Remuneration Committee. The Company shall adopt postal ballot system, where compulsory, under the Companies Act, 1956. The other suggestions have not yet been adopted.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : HYDERABAD
DATE : 30-08-2012

K. SRI KALYAN	Dr. A. SANKARANARAYANAN
Whole Time Director	Whole Time Director & CEO

ANNEXURE TO THE DIRECTORS' REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis Report is given below:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Developments:

According to Frost and Sullivan, the \$895mn Indian CRAMS (Contract Research and Manufacturing Services) industry is expected to grow to \$6.6bn by 2013. Indian Pharmaceutical industry is becoming an integral part of the global pharma, value chain and Indian CRAMS are well placed to benefit from the growing outsourcing trend in global pharma industry.

Impending patent expirations and mounting R&D costs in the wake of declining efficiency and escalating pricing pressures are forcing global pharma companies to revisit their operating paradigms. With increasing growth challenges, there is a sharper-than-ever focus on improving operational efficiencies to maintain profitability. It is believed that this situation would provide a major boost to outsourcing of pharma activities to low-cost offshore destinations like India and China.

India has several factors going for it to attain global leadership in biotechnology. We have varied agro climatic zones that bring to life every conceivable plant, animal and aquatic life. We have one of the largest professional resources trained in biology in the world. These include several centers of educational excellence in universities and national laboratories. We have several overseas Indians at the leading edge of biology research in universities in the US and Europe. We have a strong framework of public funded research institutions in biological sciences in medical and agricultural domains. The biotechnology industry touched 2 billion dollar mark in revenue for 2006-07 from the

Opportunities:

The company, on a continuous basis, scans the market for scalable opportunities and has over the past twelve months identified some key areas of growth opportunities. These opportunities are in the areas of product engineering, utilities, telecom & content. The company is making concerted efforts and investments to move up the value chain in its chosen markets and acquiring new competencies and services. It includes strengthening of domain knowledge, hiring highly talented sales and marketing managers, restructuring of businesses, project management and investments in new geographies. The company is experiencing significant traction from its existing customers and is receiving several enquiries from potential customers in its chosen markets. The company continues to strengthen and build relationships with its current and prospective customers as well as its global delivery model to ensure a low total cost of ownership for the customer.

Cost of developing a drug and a genetically modified product is very high in western countries. So companies are looking towards outsourcing certain lower end jobs like screening of molecules, testing genetically modified seeds etc. to India. India with its unique pharma and biotech skills can cash on this opportunity.

Furthermore, India is considered a preferred destination for Outsourcing Clinical Trials and Preclinical Research [\$13.0 bn Market]

CRAMS (Contract Research and Manufacturing Services) pertains to outsourcing services/ products from low-cost providers with world class standards, in line with international regulatory norms. Pharmaceutical and Biotech multinationals have traditionally been outsourcing services like wet lab research, preclinical, clinical, and contract manufacturing to low cost destinations like India. Since late 1990s, CRAMS has gained more importance, as MNCs have come under pressure to maintain their profitability. If Vivo Bio Tech is successful in attracting Multinationals for Outsourcing, there lies ahead a huge opportunity for the company in capturing a significant pie of the huge CRAMS market.

Threats:**Government Regulations**

Regulatory agencies throughout the world strictly regulate the drug development process. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as a reduction in regulatory requirements or the introduction of simplified drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if government's regulatory efforts to contain drug costs and pharmaceutical and biotechnology company earnings from new drugs, companies may spend less, or lessen their growth in spending on research and development. Hence, changes in government regulation or in practices relating to the biotech and pharmaceutical industry could shrink the need for the services we provide, which might have a negative impact on the company's growth.

Intense competition – preclinical services

The Indian Preclinical Contract Research market is highly competitive. The market is flooded with players ranging from hundreds of small, limited-service providers to a limited number of full-service organizations with global capabilities. In preclinical services, we face competition from established players like Vimta labs, Advance Therapeutics, GVK Life sciences, InTox, and Connexios. There is competition for customers on the basis of several factors, including the following: reputation for on-time quality performance; know-how and practice in specific areas; extent of service offerings; success in various geographic markets; price; technological expertise and competent drug development processes; capability to acquire, process, analyze and report data in a rapid and precise manner; and historic experience and relationship.

Intense competition might have adverse effect on Vivo Bio Tech in acquiring preclinical projects from international clients, which can alter the company's profitability.

The key elements of the company's business strategy in the fiscal year has been obtaining regulatory approvals, certifications like AAALAC International and GLP, establishment of Breeding and Canine operations and strengthening marketing efforts

Outlook:

In the next fiscal year, we anticipate –

- To receive GLP (India) accreditations for our Small Animal Research Facility
- To start operations of our Small Animals Breeding facility
- To start operations of our Canine facility

We strongly believe that 2012 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.

Risks & concerns:

Biotech industry cannot be developed in isolation like IT industry as major chunk of research has been done by government labs. So if government does not increase the interaction between industry and labs we cannot realize value of research which has been done, and which can give a major head start.

Similarly, Lack of strict implementation of patent laws, single window clearance of clinical trial / preclinical protocols for regulatory clearances and Over-protection of domestic industry can lead to isolation, retaliation & wrong signals to the Developed World.

Competition from other Asia- Pacific countries like China, Singapore, Malaysia, Taiwan and Hong Kong is yet another major risk.

As our business deals are frequently prepared as fixed price or fee-for-service with a cap, we bear the financial risk if we initially under-price our contracts or otherwise overrun our cost estimates. Such under pricing or major cost overruns could have a material unfavorable effect on our business, results of operations, financial condition, and cash flows.

The increasing demand for outsourcing services (Contract Research and Manufacturing) during the past years has been putting a lot of demand on human resources. Availability of talented and trained manpower is scarce. However, the company has been successful in employing skilled and talented people till date.

Internal Control Systems & their adequacy:

The Management Information Systems is the back bone of our internal control mechanism. The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment procurement, finance and administration marketing and personnel departments. The Company also has internal Audit system commensurate with its size and nature of business. The Audit Committee reviews the internal audit reports and the adequacy of internal controls from time to time. In order to ensure that all checks and balances are in place and all internal control systems and procedures are in order, regular and in-depth internal audit is conducted by the qualified chartered accountants. Internal audit reports are reviewed by the audit committee on a quarterly basis.

Discussion on financial performance with respect to operational performance:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The Management of the Company accepts responsibility for the integrity and objectivity of the financial statements as well as for the various estimates used therein. The financial statements have been prepared on a prudent basis to reflect an accurate picture of the Company's state of affairs. During the year under review, the total income of your company for the year 2011-12 was Rs.1252.96 Lacs as against the income of Rs 954.45 Lacs for the year 2010-11.

Material Developments in Human Resources/Industrial Relations front, including number of people employed:

Vivo believes that successful organizations emanate from successful people who achieve that success from within the organization. Hence it's the organization's responsibility to define the growth & success blue print of every member working for it. At Vivo Intellectual Capital is most Valuable asset. It recognizes the importance of linking employees to the Company's strategy.

We believe our people are motivated by the Knowledge that they play a key role in our business growth.

Further, the company recruited senior level and other functional specialists during the year. The Human relations in the organization have been cordial. The total number of persons employed in the company as on 31st March 2012 was 94. Your company works continuously towards adopting the best human resource practices in the industry and firmly believes in coming out with creative ideas for promoting customer satisfaction of the highest order. To ensure that employees grow with technology, training programs are conducted by your company at regular intervals to enable all technical & functional resources be abreast with the latest technologies.

Declaration regarding compliance with the code of conduct and ethics policy of the company by Board Members and senior management personnel

This is to confirm that the company has adopted code of conduct and Ethics policy for the Board of Directors and Associates of the Company, which is available at www.vivobio.com

I, Dr. A. Sankaranarayanan declare that the Board of directors and senior management personnel have affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

PLACE : HYDERABAD
DATE : 30-08-2012

Dr. A. SANKARANARAYANAN
Whole Time Director & CEO

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

VIVO BIO TECH LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s. Vivo Bio Tech limited, ("the company") for the year ended 31st March, 2012 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

PLACE : HYDERABAD
DATE : 30-08-2012

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

P. MURALI MOHANA RAO
PARTNER.
M.No: 23412

Certification as required under Revised Clause 49 of the Listing Agreement

We, Dr. A. Sankaranarayanan, Whole Time Director & CEO, K. Sri Kalyan, Whole-Time Director of Vivo Bio Tech Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, and its schedules and notes on accounts, as well as the Cash Flow statement and the Directors report.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the company, and we have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared. and
 - b) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. We have disclosed to the Company's auditors and the audit committee
 - a) all significant changes in internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

PLACE : HYDERABAD
DATE : 30-08-2012

K. SRI KALYAN
Whole Time Director

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

AUDITORS' REPORT

To
The Members,
VIVO BIOTECH LIMITED

1. We have audited the attached Balance Sheet of M/s VIVO BIOTECH LIMITED as at 31st March, 2012 and also the Profit and Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet & Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet & Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-Section (I) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2012.
 - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; And
 - iii) In the case of cash flow statement of the cash flows for the year ended on that date.

For **P. MURALI & CO.,**
CHARTERED ACCOUNTANTS
FRN: 007257S

P. MURALI MOHANA RAO
PARTNER
M.No.23412

PLACE : HYDERABAD
DATE : 30-08-2012

ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
(c) The Company has not disposed off any of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
(b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 is prejudicial to the interest of company, is not applicable.
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties is not applicable to the company.
(d) No loans have been granted to Companies, Firms & other parties listed in the register U/s. 301 of the Companies Act, 1956 , hence overdue amount of more than Rupees one lac does not arise and the clause is not applicable.
(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
(f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under Section 301 is prejudicial to the interest of company, is not applicable.
(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. According to the information and explanations given to us, since no contracts or arrangements referred in sec 301 of the companies Act, 1956, have been made by the company in respect of any

party in the financial year, the entry in the register U/s 301 of the Companies Act, 1956, does not arise.

- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. We have broadly reviewed the books of account relating to the materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- IX. a) The Company is regular in depositing statutory dues including PF,ESI, and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF,ESI, and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and its accumulated losses at the end of the financial year is less than fifty percent of its net worth and the company has not incurred cash losses during the financial year and the immediately preceding financial year.
- XI. Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any default in payment to a financial institution, bank or debenture holders.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.

- XVI. In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

PLACE : HYDERABAD
DATE : 30-08-2012

P. MURALI MOHANA RAO
PARTNER
M.No.23412

M/s. VIVO BIO TECH LIMITED
BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No.	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
A EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
a) Share capital	1	93,505,200	93,505,200
b) Reserves & Surplus	2	(44,312,970)	(51,385,173)
2. Non-current liabilities			
a) Long-term borrowings	3	207,803,980	228,178,771
b) Deferred tax liabilities (net)	4	7,863,930	16,311,791
c) Long-term provisions	5	893,256	662,449
3 Current liabilities			
a) Short-term borrowings	6	21,394,581	-
b) Trade payables	7	93,194,962	131,868,773
c) Other current liabilities	8	142,365,844	70,735,138
d) Short-term provisions	9	18,602,336	12,573,487
TOTAL		541,311,119	502,450,436
B ASSETS			
1. Non-current assets			
a) Fixed assets			
(i) Tangible assets	10	390,199,664	388,166,118
(ii) Intangible assets		41,015,713	18,115,658
(iii) Capital work-in-progress		8,750,000	8,750,000
b) Non-current investments	11	300,000	300,000
c) Other Non - current assets	12	322,111	383,116
2. Current assets			
a) Inventories	13	203,744	462,359
b) Trade receivables	14	52,481,773	4,960,808
c) Cash and cash equivalents	15	24,836,237	22,840,300
d) Short-term loans and advances	16	19,113,122	55,833,880
e) Other current assets	17	4,088,755	2,638,197
TOTAL		541,311,119	502,450,436

Notes to Financial Statements & Significant Accounting Policies

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATED

For P. MURALI & CO.,

CHARTERED ACCOUNTANTS

FRN: 007257S

P. MURALI MOHANA RAO

PARTNER

M.No.23412

PLACE : HYDERABAD

DATE : 30-08-2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For Vivo Bio Tech Ltd

K. SRI KALYAN

Whole Time Director

DR. A. SANKARANARAYANAN

Whole Time Director & CEO

M/s. VIVO BIO TECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2012

PARTICULARS	NOTE No.	2011-12 (Rs.)	2010-11 (Rs.)
1. Revenue from operations	18	124,788,829	95,422,249
2. Other income	19	507,122	23,145
3. Total revenue (1+2)		125,295,951	95,445,394
4. Expenses			
a) Purchase of Stock-in-Trade		31,220,349	20,357,048
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(203,744)	(300,411)
c) Employee benefits expense	21	21,111,487	20,904,690
d) Other operating expenses	22	8,891,049	8,070,345
e) Administrative Expenses	23	7,632,785	7,028,777
f) Finance costs	24	34,033,239	28,889,084
g) Depreciation and amortisation expense	10	20,822,612	16,251,160
h) Other expenses	25	3,163,833	914,950
Total expenses		126,671,610	102,115,643
5. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(1,375,659)	(6,670,249)
6. Exceptional items		-	-
7. Profit / (Loss) before extraordinary items and tax (5 - 6)		(1,375,659)	(6,670,249)
8. Extraordinary items		-	-
9. Profit / (Loss) before tax (7 - 8)		(1,375,659)	(6,670,249)
10. Tax expense:			
a) Current tax expense for current year		-	-
b) Deferred tax		(8,447,861)	8,848,475
11. Profit / (Loss) from continuing operations (9 -10)		7,072,202	(15,518,724)
12. Profit / (Loss) for the year		7,072,202	(15,518,724)
13. Earnings per equity share:			
1) Basic		0.76	(1.66)
2) Diluted		0.76	(1.66)

Notes to Financial Statements & Significant Accounting Policies

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATED
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

P. MURALI MOHANA RAO
PARTNER
M.No.23412

PLACE : HYDERABAD
DATE : 30-08-2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For **Vivo Bio Tech Ltd**

K. SRI KALYAN
Whole Time Director

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

VIVO BIO TECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2012

PARTICULARS	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	(13.76)	(66.70)
ADJUSTMENTS FOR :		
Depreciation	207.62	161.90
Interest expenses	340.33	272.11
Deferred Tax	84.48	(88.48)
Written off Expenses	0.61	0.61
Operating Profit before working capital changes	619.28	279.43
Inventory	2.59	(3.00)
Interest paid	(340.33)	(272.11)
Trade Receivable	(122.51)	(601.59)
Trade payables	307.69	913.67
NET CASH FLOW FROM OPERATING ACTIVITIES	466.71	316.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(456.95)	(324.15)
Investments in Subsidiaries	-	(1.00)
NET CASH USED IN INVESTING ACTIVITIES	(456.95)	(325.15)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Secured Loan	10.20	232.45
Increase in Share premium	-	-
NET CASH USED IN FINANCING ACTIVITIES	10.20	232.45
Net increase in cash and cash equivalents	19.96	223.69
Cash and Cash equivalents (Opening Balance)	228.40	4.72
Cash and Cash equivalents (Closing Balance)	248.36	228.40

AS PER OUR REPORT OF EVEN DATED
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

P. MURALI MOHANA RAO
PARTNER
M.No.23412

PLACE : HYDERABAD
DATE : 30-08-2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Vivo Bio Tech Ltd

K. SRI KALYAN **DR. A. SANKARANARAYANAN**
Whole Time Director **Whole Time Director & CEO**

SIGNIFICANT ACCOUNTING POLICIES

General:

- (I) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

- (I) The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.
- (ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Fixed Assets:

- (a) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.
- (b) Capital Expenditure with respect to Research and Development Activities is capitalized from the date of completion and ready for use.

Depreciation and Amortization:

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortized over the period of 10 years.
- iii) Depreciation on Technical Know how not created because revenues relating to the same not generated during the financial year.

Research and Development Expenses:

Costs related to internal research and development programs are expensed as incurred.

Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

Inventories:

Inventories are valued at cost or market price whichever is lower.

Impairment:

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Profit and Loss account.

Gratuity:

The Company has made provision for the gratuity to its employees as per the provisions of the Payment of Gratuity Act, 1972

M/s. VIVO BIO TECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 1		
SHARE CAPITAL		
AUTHORISED:		
1,50,000,00 Equity Shares of Rs.10/- each	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL :		
93,505,20 Equity shares of Rs.10/- each	93,505,200	93,505,200
Less : Subscribed & Not fully paid up	-	-
Total Share capital (Equity)	93,505,200	93,505,200
The company has only one class of shares referred to as Equity shares having a par value of Rs. 10/- each.		
The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.		
No. of shares :	93,50,520	93,50,520
Details of share holder holding more than 5% shares as at March 31st 2012 and March 31, 2011 is set out below :		

Name of the share holder	AS AT 31.03.2012		AS AT 31.03.2011	
	Number of Shares	% held	Number of Shares	% held
Northern Union Ltd	10,35,000	11.07	10,35,000	11.07
Max Cell Phone Communications India Pvt.Ltd.	8,00,000	8.56	8,00,000	8.56
Vira Systems Pvt.Ltd.	13,45,000	14.39	13,45,000	14.39
Iron Age India Limited	6,00,000	6.42	6,00,000	6.42
Iragavarapu Constructions Pvt.Ltd.	6,00,000	6.42	6,00,000	6.42
P.K.I. Solutions Pvt. Ltd.	6,00,000	6.42	6,00,000	6.42
Every Wear Import and Export Pvt.Ltd.	1350000	14.44	1350000	14.44
Elite Class Asset Holdings Ltd.	1300000	13.90	1300000	13.90

NOTE 2

RESERVES AND SURPLUS

Securities Premium

Opening Balance	15,840,000	15,840,000
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Closing Balance	15,840,000	15,840,000

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
General Reserves:		
Opening Balance	1,000,000	1,000,000
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Closing Balance	1,000,000	1,000,000
Negative balance of reserves and surplus account	(61,152,970)	(68,225,173)
Total Reserves and Surplus	(44,312,970)	(51,385,173)

NOTE 3

LONG TERM BORROWINGS

a) Term loans:		
From banks:		
Secured	185,373,980	205,748,771
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Air conditioners and personal guarantee of the Director of the Company)		
b) Other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	22,430,000	22,430,000
Total long term borrowings	207,803,980	228,178,771

NOTE 4

DEFERRED TAX LIABILITY (NET)

Opening Deferred tax Liability	16,311,791	7,463,316
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(8,447,861)	8,848,475
Gross Deferred tax Liability	7,863,930	16,311,791
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debts	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	7,863,930	16,311,791

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 5		
LONG TERM PROVISIONS		
Provision for employee benefits		
- Provision for Gratuity	893,256	662,449
Total Long Term Provisions	893,256	662,449
NOTE 6		
SHORT TERM BORROWINGS.		
Loans repayable on demand:		
From banks		
Unsecured	21,394,581	-
Total short term borrowings	21,394,581	-
NOTE 7		
TRADE PAYABLES		
Trade Payables	93,194,962	131,868,773
Total Trade Payables	93,194,962	131,868,773
NOTE 8		
OTHER CURRENT LIABILITIES		
Other Payables (Creditors for Expenses & Equipment)	142,365,844	70,735,138
Total other current liabilities	142,365,844	70,735,138
NOTE 9		
SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	148,057	109,611
Salaries Payable	3,322,854	1,977,016
b) Others		
Statutory Liabilities		
TDS	542,525	582,557
ESI	34,299	38,867
Provision for Expenses		
Rent	5,400,000	2,700,000
Interest	8,982,451	7,073,411
Audit Fee	165,450	82,725
Professional Tax	6,700	9,300
Total short term provisions	18,602,336	12,573,487

In Rs.

NOTE 10 FIXED ASSETS AND DEPRECIATION									
M/s. VIVO BIO TECH LIMITED									
SL. NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 01-04-2011	ADDITIONS DURING THE YEAR	AS AT 31-03-2012	AS ON 01-04-2011	DURING the year	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
I.	TANGIBLE ASSETS								
	Land	26,831,423	-	26,831,423	-	-	-	26,831,423	26,831,423
	Building	194,566,976	-	194,566,976	10,830,895	6,498,537	17,329,432	177,237,544	183,736,081
	Plant & Machinery	54,663,884	1,581,120	56,245,004	4,360,133	2,658,675	7,018,808	49,226,197	50,303,751
	Office Equipments	14,383,954	119,995	14,503,949	1,277,290	760,113	2,037,403	12,466,545	13,106,664
	Electrical Equipment	29,373,341	110,598	29,483,939	2,315,970	1,396,500	3,712,471	25,771,468	27,057,370
	Laboratory Equipment	92,291,588	14,392,346	106,683,934	9,413,891	4,675,199	14,089,091	92,594,843	82,877,697
	Furniture and Fixtures	4,192,899	-	4,192,899	498,487	265,411	763,898	3,429,001	3,694,412
	Vehicles	1,980,724	2,596,535	4,577,259	1,699,592	355,173	2,054,765	2,522,494	281,132
	Computer Hardware	1,447,700	86,750	1,534,450	1,170,112	244,190	1,414,301	120,149	277,588
	Sub Total (a)	419,732,488	18,887,344	438,619,833	31,566,370	16,853,798	48,420,169	390,199,664	388,166,118
II.	INTANGIBLE ASSETS								
	Computer Software	3,404,822	1,807,864	5,212,686	598,141	630,188	1,228,329	3,984,357	2,806,681
	Technical Know How	15,308,977	25,000,000	40,308,977	-	3,277,621	3,277,621	37,031,356	15,308,977
	Sub Total (b)	18,713,799	26,807,864	45,521,663	598,141	3,907,809	4,505,950	41,015,713	18,115,658
III.	Capital work in progress	8,750,000	-	8,750,000	-	-	-	8,750,000	8,750,000
	Sub Total (c)	8,750,000	-	8,750,000	-	-	-	8,750,000	8,750,000
	GRAND TOTAL (a+b+c)	447,196,287	45,695,208	492,891,495	32,164,511	20,761,607	52,926,119	439,965,377	433,147,433
	As at 31.03.2011	406,031,411	32,414,876	438,446,287	15,974,356	16,190,155	32,164,511	406,281,776	390,057,055

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 11		
NON- CURRENT INVESTMENTS		
Investment in Subsidiaries		
a) Equity Shares		
100% holding in Vivo Bio Discovery Services Pvt Ltd	100,000	100,000
100% Holding in Vivo Bio Labs Pvt. Ltd.	100,000	100,000
100% Holding in Vivo Bio Developers India Pvt. Ltd.	100,000	100,000
Total Non Current Investments	300,000	300,000
NOTE 12		
Other Non Current Assets		
Unamortised Expenses	322,111	383,116
Total Other Non Current Assets	322,111	383,116
NOTE 13		
Inventories:		
Stores and Spares	203,744	462,359
Total Inventories	203,744	462,359
NOTE 14		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	52,481,773	4,960,808
Total Trade receivables	52,481,773	4,960,808
NOTE 15		
CASH AND CASH EQUIVALENTS		
a) Balances with banks :		
Current Accounts	2,087,162	312,450
b) Cash on hand	66,596	97,850
c) Others : SBIRI - NON LIEN ACCOUNT	22,682,479	22,430,000
Total Cash and Cash Equivalents	24,836,237	22,840,300
NOTE 16		
SHORT-TERM LOANS AND ADVANCES		
a) Security Deposit		
Secured	910,000	900,000
b) Loans and advances to related parties		
Unsecured-Vivobio, PKNMB, Vanguard-Joint Venture	18,126,390	54,843,492
c) Other loans and Advances		
Secured-Prepaid Insurance	76,732	90,388
Total Short-term Loans And Advances	19,113,122	55,833,880

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 17		
OTHER CURRENT ASSETS		
TDS , Service Tax and vat credit	4,088,755	2,638,197
Total Other Current Assets	4,088,755	2,638,197
NOTE 18		
REVENUE FROM OPERATIONS		
Revenue from operations		
Revenue from Services	124,788,829	95,422,249
Total Revenue from Operations	124,788,829	95,422,249
NOTE 19		
OTHER INCOME		
(a) Interest income	507,122	-
(b) Net gain/loss on foreign currency translation and transaction	-	23,145
Total Other Income	507,122	23,145
NOTE 20		
CHANGE IN INVENTORIES & WIP.		
Finished Goods		
Finished goods at the beginning of the year	-	161,948
Less : Finished goods at the end of the year	(203, 744)	462,359
Total Change In Inventories & Wip.	(203, 744)	(300,411)
NOTE 21		
EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	20,043,933	19,349,386
(b) Contribution to Provident & Other Funds	569,329	1,225,293
(c) Staff Welfare Expenses	498,225	330,011
Total Employee Benefit Expenses	21,111,487	20,904,690
NOTE 22		
OTHER OPERATING EXPENSES		
(a) Power & Fuel	5,394,057	4,644,319
(b) Rent	3,000,000	3,000,000
(c) Repairs to Machinery	164,788	283,207
(d) Insurance	249,479	50,729
(e) Miscellaneous Expenditure	-	9,365
(f) Payment to Auditors:		
As Auditor	82,725	82,725
Total Other Operating Expenses	8,891,049	8,070,345

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 23		
ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	91,138	428,281
(b) Business Promotion Expenses	170,713	240,942
(c) Conveyance	163,403	386,360
(d) Office Maintenance	1,323,589	553,873
(e) Printing & Stationery Expenses	158,218	322,751
(f) Rates & Taxes (excluding Income Tax)	47,724	435,529
(g) Managerial Remuneration	39,20,000	34,27,500
(h) Consultancy Charges	1,738,500	1,162,805
(i) Seminar Fee	19,500	70,736
Total Administrative Expenses	76,32,785	70,28,777
NOTE 24		
FINANCE COST		
Interest Expenses		
- Interest on Cash Credit	33,842,572	27,567,407
- Loan processing Charges & Bank Charges	190,667	1,321,677
Total Finance Cost	34,033,239	28,889,084
NOTE 25		
OTHER EXPENSES		
Vehicle Maintenance	1,392,399	402,466
Internet Charges	318,499	435,175
AMC Charges	1,452,935	77,309
Total Other expenses	3,163,833	914,950

NOTE 26:

Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975 : **NIL**

NOTE 27	Auditor's Remuneration :	Current Year (Rs.)	Previous Year (Rs.)
	Audit Fee	82,725/-	82,725/-

NOTE 28	Foreign Exchange inflow and outflow	Current Year (Rs.)	Previous Year
	a) Inflow :	Rs. 33.76 Lacs	Rs. 25.47 Lacs
	b) Out flow for capital expenditure :	Rs. 59.01 Lacs	Rs. 26.37 Lacs

NOTE 29

There is no marketable value of livestock used for R&D purpose, hence not considered in financials.

NOTE 30

There are no dues to SSI Units outstanding for more than 30 days.

NOTE 31

Confirmations were not obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.

NOTE 32

The Company has been awarded soft loan given by SBIRI (Small Business Innovation Research Initiative), Department of Bio Technology, towards the project - "Production of recombinant exenatide (Incretin mimetic like GLP-1) (Phase II) a new generation cure for Diabetes" given specifically for the R&D work being carried out by company's biologic division operating from the facility located at Pothaipally Village, Hakimpet recognized by DSIR (Department of Scientific and Industrial Research) as in-house R&D unit vide approval F.No. TU/IV-RD/2740/2010. Separate No Lien Account is opened for the project funds and will be spent towards projects objectives directly from that account.

A separate mortgage is created for the whole of movable and immovable properties acquired from the loan sanctioned by the DBT under the SBIRI scheme including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future (except book debts)

NOTE 33

The company has taken lease of 12,500 sft area, at prevailing market rates, from M/s Virinchi Technologies Limited for R&D division in which one of the promoters is a Director.

NOTE 34

Previous years figures have been regrouped wherever necessary.

NOTE 35

The figures have been rounded off to the nearest rupee.

NOTE 36 : Loans and Advances:

We have taken a loan given by SBIRI (Small Business Innovation Research Initiative), Department of Bio Technology, towards the project - "Production of recombinant exenatide (Incretin mimetic like GLP-1) (phase II) a new generation cure for Diabetes" given specifically for the R & D work being carried out by company's biologic division operating from the facility located Pothaipally village, Hakimpet recognized by DSIR (Department of Scientific and Industrial Research) as in house R & D unit.

On February 17, 2011, DBT has provided the first installment of 224.3 Lakhs, which is used exclusively towards purchase of equipments for the company's in-house R&D unit located at Pothaipally village, Hakim pet and for the R&D and operational expenses related to the project under consideration.

AS PER OUR REPORT OF EVEN DATED

For P. MURALI & CO.,

CHARTERED ACCOUNTANTS

FRN: 007257S

P. MURALI MOHANA RAO

PARTNER

M.No.23412

PLACE : HYDERABAD

DATE : 30-08-2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For Vivo Bio Tech Ltd

K. SRI KALYAN

Whole Time Director

DR. A. SANKARANARAYANAN

Whole Time Director & CEO

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Vivo Bio Tech Limited, for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with stock exchange and is based on and in agreement with the corresponding profit and loss Account and Balance Sheet of the Company covered by our report of 30th August, 2012 to the Members of the Company.

For **P. MURALI & CO.,**
CHARTERED ACCOUNTANTS
FRN: 007257S

PLACE : HYDERABAD
DATE : 30-08-2012

P. MURALI MOHANA RAO
PARTNER
M.No.23412

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rs. Thousands)

1. Registration details	
Registration number	L65993AP1987PLC007163
State Code	01
Balance Sheet Date	31.03.2012
2. Capital raised during the year	
Public issue	NIL
Rights issue	NIL
Bonus issue	NIL
Conversion of bonds	NIL
Private placement	NIL
3. Position of Mobilisation and deployment of funds	
Total Liabilities	285,932.69
Total Assets	285,932.69
Source of funds	
Paid-up Capital	93505.20
Reserves & Surpluses	(44635)
Secured Loans	229198.56
Unsecured Loans	NIL
Deferred Tax liability	7863.93
Application of Funds	
Net fixed assets	439965.38
Investments	300
Net Current Assets	(154332.77)
4. Performance of Company	
Total Income	125295.95
Total Expenditure	126671.61
Profit before tax	(1375.66)
Profit after tax	7072.02
Earning per share	0.76
Dividend Rate %	NIL
5. Generic names of three principal products/services of company	
Item code no	3004
Product Description	Pharmaceuticals

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANY

1	Name of the Subsidiary	Vivobio labs Pvt. Ltd.	Vivobio Discovery Services Pvt. Ltd.	Vivobio Developers India Pvt. Ltd.
2	Financial year end	31 st March, 2012	31 st March, 2012	31 st March, 2012
3	Holding Company's Interest	100% in Equity Share Capital	100% in Equity Share Capital	100% in Equity Share Capital
4	Share held by the holding company in the subsidiary	10,000 equity Shares of Rs. 10/- each	10,000 equity Shares of Rs. 10/- each	10,000 equity Shares of Rs. 10/- each
5	<p>The net aggregate of profits or losses for the above financial year of the subsidiary so far as it concerns the members of the holding company</p> <p>a. dealt with or provided for in the accounts of the holding Company not dealt with or provided for in the accounts of the holding company</p> <p>b. Not dealt with or provided for in the accounts of the holding company</p>	<p>Nil</p> <p>Nil</p>	<p>Nil</p> <p>Nil</p>	<p>NIL</p> <p>Nil</p>
6	<p>The net aggregate of profits or losses for the previous financial years of the subsidiary so far as it concerns the members of the holding company</p> <p>a. dealt with or provided for in the accounts of the holding company</p> <p>b. Not dealt wit or provided for in the accounts of the holding Company</p>	<p>Nil</p> <p>Nil</p>	<p>Nil</p> <p>Nil</p>	<p>N.A</p> <p>N.A</p>

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of M/s. VIVO BIO TECH LIMITED ('the Company') and its wholly owned subsidiaries M/s. VIVOBIO LABS PVT LTD., M/s. VIVOBIO DISCOVERY SERVICES PVT LTD., and M/s. VIVOBIO DEVELOPERS INDIA PVT LTD., as at 31st March, 2012 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard(AS) 21 for Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Consolidated balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012.
 - (b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year ended and
 - (c) In the case of the Consolidated cash flows Statement, of the Consolidated Cash flows of the Company and its subsidiaries for the year ended.

For **P. MURALI & CO.,**
CHARTERED ACCOUNTANTS
FRN: 007257S

P. MURALI MOHANA RAO
PARTNER
M.No.23412

PLACE : HYDERABAD
DATE : 30-08-2012

M/s. VIVO BIO TECH LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
A EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
a) Share capital	1	93,505,200	93,505,200
b) Reserves & Surplus	2	(44,312,970)	(51,385,173)
2. Non-current liabilities			
a) Long-term borrowings	3	207,803,980	228,178,771
b) Deferred tax liabilities (net)	4	7,863,930	16,311,791
c) Long-term provisions	5	893,256	662,449
3 Current liabilities			
a) Short-term borrowings	6	21,394,581	-
b) Trade payables	7	93,194,962	131,868,773
c) Other current liabilities	8	142,365,844	70,735,138
d) Short-term provisions	9	18,613,572	12,606,577
TOTAL		541,322,355	502,483,526
B ASSETS			
1. Non-current assets			
a) Fixed assets			
(i) Tangible assets	10	390,199,664	388,166,118
(ii) Intangible assets		41,232,129	18,264,348
(iii) Capital work-in-progress		8,750,000	8,750,000
b) Other Non - current assets	11	322,111	383,116
2. Current assets			
a) Inventories	12	203,744	462,359
b) Trade receivables	13	52,481,773	4,960,808
c) Cash and cash equivalents	14	24,931,057	23,024,700
d) Short-term loans and advances	15	19,113,122	55,833,881
e) Other current assets	16	4,088,755	2,638,197
TOTAL		541,322,355	502,483,527

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATED

For **P. MURALI & CO.,**
CHARTERED ACCOUNTANTS
FRN: 007257S

P. MURALI MOHANA RAO
PARTNER
M.No.23412

PLACE : HYDERABAD
DATE : 30-08-2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **Vivo Bio Tech Ltd**

K. SRI KALYAN
Whole Time Director

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

M/s. VIVO BIO TECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2012

PARTICULARS	NOTE No.	2011-12 (Rs.)	2010-11 (Rs.)
1. Revenue from operations	17	124,788,829	95,422,249
2. Other income	18	507,122	23,145
3. Total revenue (1+2)		125,295,951	95,445,394
4. Expenses			
a) Purchase of Stock-in-Trade		31,220,349	20,357,048
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(203,744)	(300,411)
c) Employee benefits expense	20	21,111,487	20,904,690
d) Other operating expenses	21	8,891,049	8,070,345
e) Administrative Expenses	22	76,32,785	70,28,777
f) Finance costs	23	34,033,239	28,889,084
g) Depreciation and amortisation expense	10	20,822,612	16,251,160
h) Other expenses	24	3,163,833	914,950
Total expenses		126,671,610	102,115,643
5. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(1,375,659)	(6,670,249)
6. Exceptional items		-	-
7. Profit / (Loss) before extraordinary items and tax (5 - 6)		(1,375,659)	(6,670,249)
8. Extraordinary items		-	-
9. Profit / (Loss) before tax (7 - 8)		(1,375,659)	(6,670,249)
10. Tax expense:			
a) Current tax expense for current year		-	-
b) Deferred tax		(8,447,861)	8,848,475
11. Profit / (Loss) from continuing operations (9 -10)		7,072,202	(15,518,724)
12. Profit / (Loss) for the year		7,072,202	(15,518,724)
13. Earnings per equity share:			
1) Basic		0.76	(1.66)
2) Diluted		0.76	(1.66)

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

AS PER OUR REPORT OF EVEN DATED

For **P. MURALI & CO.,**
 CHARTERED ACCOUNTANTS
 FRN: 007257S

P. MURALI MOHANA RAO
 PARTNER
 M.No.23412

PLACE : HYDERABAD
DATE : 30-08-2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **Vivo Bio Tech Ltd**

K. SRI KALYAN
 Whole Time Director

DR. A. SANKARANARAYANAN
 Whole Time Director & CEO

VIVO BIO TECH LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2012

PARTICULARS	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	(13.76)	(66.70)
ADJUSTMENTS FOR :		
Depreciation	207.62	161.90
Interest expenses	340.33	272.11
Deferred Tax	84.48	(88.48)
Written off Expenses	0.61	0.61
Operating Profit before working capital changes	619.28	279.43
Inventory	2.59	(3.00)
Interest paid	(340.33)	(272.11)
Trade Receivables	(122.51)	(601.59)
Trade payables	307.47	914.00
NET CASH FLOW FROM OPERATING ACTIVITIES	466.49	316.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(456.95)	(324.15)
Good Will	(0.68)	(0.68)
NET CASH USED IN INVESTING ACTIVITIES	(457.63)	(324.81)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Secured Loan	10.20	232.45
Increase in Share premium	-	-
NET CASH USED IN FINANCING ACTIVITIES	10.20	232.45
Net increase in cash and cash equivalents	19.06	224.36
Cash and Cash equivalents (Opening Balance)	230.25	5.89
Cash and Cash equivalents (Closing Balance)	249.31	230.25

AS PER OUR REPORT OF EVEN DATED
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Vivo Bio Tech Ltd

P. MURALI MOHANA RAO
PARTNER
M.No.23412

K. SRI KALYAN
Whole Time Director

DR. A. SANKARANARAYANAN
Whole Time Director & CEO

PLACE : HYDERABAD
DATE : 30-08-2012

SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation :

The consolidated financial statements have been prepared on the basis of going concern, under the historical cost convention on accrual basis, to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

These financial statements have been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

All inter company transactions, balances and unrealized surpluses and deficits are eliminated.

2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight duties, taxes and incidental expenses thereto.

All the fixed assets are assessed for any indication of impairment, at the end of each financial year. On such indication, the impairment loss, being excess of carrying value over the recoverable value of the assets, is charged to Profit and Loss account in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

3. Goodwill:

Goodwill represents the difference between the purchase price and the fair value of the assets and liabilities acquired after considering reserves transferred.

The excess of cost to the Parent company of its investment in the subsidiary company is recognized in the consolidated financial statements as goodwill.

AS PER OUR REPORT OF EVEN DATED
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For **Vivo Bio Tech Ltd**

P. MURALI MOHANA RAO
PARTNER
M.No.23412

K. SRI KALYAN DR. A. SANKARANARAYANAN
Whole Time Director Whole Time Director & CEO

PLACE : HYDERABAD
DATE : 30-08-2012

M/s. VIVO BIO TECH LIMITED
CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 1		
SHARE CAPITAL		
AUTHORISED:		
15,000,000 Equity Shares of Rs.10/- each	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL :		
9,350,520 Equity shares of Rs.10/- each	93,505,200	93,505,200
Less : Subscribed & Not fully paid up	-	-
Total Share capital (Equity)	93,505,200	93,505,200
The company has only one class of shares referred to as Equity shares having a par value of Rs. 10/- each.		
The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.		
No. of shares :	9,350,520	9,350,520
Details of share holder holding more than 5% shares as at March 31st 2012 and March 31, 2011 is set out below :		

Name of the share holder	AS AT 31.03.2012		AS AT 31.03.2011	
	Number of Shares	% held	Number of Shares	% held
Northern Union Ltd	10,35,000	11.07	10,35,000	11.07
Max Cell Phone Communications India Pvt. Ltd.	8,00,000	8.56	8,00,000	8.56
Vira Systems Pvt.Ltd.	13,45,000	14.39	13,45,000	14.39
Iron Age India Limited	6,00,000	6.42	6,00,000	6.42
Iragavarapu Constructions Pvt.Ltd.	6,00,000	6.42	6,00,000	6.42
P.K.I. Solutions Pvt. Ltd.	6,00,000	6.42	6,00,000	6.42
Every Wear Import and Export Pvt.Ltd.	1350000	14.44	1350000	14.44
Elite Class Asset Holdings Ltd.	1300000	13.90	1300000	13.90

NOTE 2

RESERVES AND SURPLUS

Securities Premium

Opening Balance	15,840,000	15,840,000
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Closing Balance	15,840,000	15,840,000

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
General Reserves:		
Opening Balance	1,000,000	1,000,000
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Closing Balance	1,000,000	1,000,000
Negative balance of reserves and surplus account	(61,152,970)	(68,225,173)
Total Reserves and Surplus	(44,312,970)	(51,385,173)

NOTE 3

LONG TERM BORROWINGS

a) Term loans:		
From banks:		
Secured	185,373,980	205,748,771
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Air conditioners and personal guarantee of the Director of the Company)		
b) Other loans and advances		
Biotech Consortium India Ltd. A/c SBIRI	22,430,000	22,430,000
Total long term borrowings	207,803,980	228,178,771

NOTE 4

DEFERRED TAX LIABILITY (NET)

Opening Deferred tax Liability	16,311,791	7,463,316
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(8,447,861)	8,848,475
Gross Deferred tax Liability	7,863,930	16,311,791
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debts	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	7,863,930	16,311,791

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 5		
LONG TERM PROVISIONS		
Provision for employee benefits		
- Provision for Gratuity	893,256	662,449
Total Long Term Provisions	893,256	662,449
NOTE 6		
SHORT TERM BORROWINGS.		
Loans repayable on demand:		
From banks		
Unsecured	21,394,581	-
Total short term borrowings	21,394,581	-
NOTE 7		
TRADE PAYABLES		
Trade Payables	93,194,962	131,868,773
Total Trade Payables	93,194,962	131,868,773
NOTE 8		
OTHER CURRENT LIABILITIES		
Other Payables (Creditors for Expenses & Equipment)	142,365,844	70,735,138
Total other current liabilities	142,365,844	70,735,138
NOTE 9		
SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	148,057	109,611
Salaries Payable	3,322,854	1,977,016
b) Others		
Statutory Liabilities		
TDS	542,525	582,557
ESI	34,299	38,867
Provision for Expenses		
Rent	5,400,000	2,700,000
Interest	8,982,451	7,073,411
Audit Fee	176,686	115,815
Professional Tax	6,700	9,300
Total short term provisions	18,613,572	12,606,577

In Rs.

NOTE 10 FIXED ASSETS AND DEPRECIATION									
M/s. VIVO BIO TECH LIMITED									
SL. NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 01-04-2011	ADDITIONS DURING THE YEAR	AS AT 31-03-2012	AS ON 01-04-2011	DURING the year	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
I.	TANGIBLE ASSETS								
	Land	26,831,423	-	26,831,423	-	-	-	26,831,423	26,831,423
	Building	194,566,976	-	194,566,976	10,830,895	6,498,537	17,329,432	177,237,544	183,736,081
	Plant & Machinery	54,663,884	1,581,120	56,245,004	4,360,133	2,658,675	7,018,808	49,226,197	50,303,751
	Office Equipments	14,383,954	119,995	14,503,949	1,277,290	760,113	2,037,403	12,466,545	13,106,664
	Electrical Equipment	29,373,341	110,598	29,483,939	2,315,970	1,396,500	3,712,471	25,771,468	27,057,370
	Laboratory Equipment	92,291,588	14,392,346	106,683,934	9,413,891	4,675,199	14,089,091	92,594,843	82,877,697
	Furniture and Fixtures	4,192,899	-	4,192,899	498,487	265,411	763,898	3,429,001	3,694,412
	Vehicles	1,980,724	2,596,535	4,577,259	1,699,592	355,173	2,054,765	2,522,494	281,132
	Computer Hardware	1,447,700	86,750	1,534,450	1,170,112	244,190	1,414,301	120,149	277,588
	Sub Total (a)	419,732,488	18,887,344	438,619,833	31,566,370	16,853,798	48,420,169	390,199,664	388,166,118
II.	INTANGIBLE ASSETS								
	Computer Software	3,404,822	1,807,864	5,212,686	598,141	630,188	1,228,329	3,984,357	2,806,681
	Technical Know How	15,308,977	25,000,000	40,308,977	-	3,277,621	3,277,621	37,031,356	15,308,977
	Good Will	148,690	67,726	216,416	-	-	-	216,416	148,690
	Sub Total (b)	18,862,489	26,875,590	45,738,079	598,141	3,907,809	4,505,950	41,232,129	18,264,348
III.	Capital work In progress	8,750,000	-	8,750,000	-	-	-	8,750,000	8,750,000
	Sub Total (c)	8,750,000	-	8,750,000	-	-	-	8,750,000	8,750,000
	GRAND TOTAL (a+b+c)	447,344,977	45,762,934	493,107,911	32,164,511	20,761,607	52,926,118	440,181,793	433,444,813
As at 31.03.2011		406,031,411	32,414,876	438,446,287	15,974,356	16,190,155	32,164,511	406,281,776	390,057,055

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 11		
Other Non Current Assets		
Unamortised Expenses	322,111	383,116
Total Other Non Current Assets	322,111	383,116
NOTE 12		
Inventories:		
Stores and Spares	203,744	462,359
Total Inventories	203,744	462,359
NOTE 13		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	52,481,773	4,960,808
Total Trade receivables	52,481,773	4,960,808
NOTE 14		
CASH AND CASH EQUIVALENTS		
a) Balances with banks :		
Current Accounts	2,087,162	312,450
b) Cash on hand	161,416	282,250
c) Others : SBIRI - NON LIEN ACCOUNT	22,682,479	22,430,000
Total Cash and Cash Equivalents	24,931,057	23,024,700
NOTE 15		
SHORT-TERM LOANS AND ADVANCES		
a) Security Deposit		
Secured	910,000	900,000
b) Loans and advances to related parties		
Unsecured-Vivobio, PKNMB, Vanguard-Joint Venture	18,126,390	54,843,493
c) Other loans and Advances		
Secured-Prepaid Insurance	76,732	90,388
Total Short-term Loans And Advances	19,113,122	55,833,881
NOTE 16		
OTHER CURRENT ASSETS		
TDS , Service Tax and vat credit	4,088,755	2,638,197
Total Other Current Assets	4,088,755	2,638,197

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 17		
REVENUE FROM OPERATIONS		
Revenue from operations		
Revenue from Services	124,788,829	95,422,249
Total Revenue from Operations	124,788,829	95,422,249
NOTE 18		
OTHER INCOME		
(a) Interest income	507,122	-
(b) Net gain/loss on foreign currency translation and transaction	-	23,145
Total Other Income	507,122	23,145
NOTE 19		
CHANGE IN INVENTORIES & WIP.		
Finished Goods		
Finished goods at the beginning of the year	-	161,948
Less : Finished goods at the end of the year	(203, 744)	462,359
Total Change In Inventories & Wip.	(203, 744)	(300,411)
NOTE 20		
EMPLOYEE BENEFIT EXPENSES (AGGREGATE EXPENDITURE)		
(a) Salaries & Wages	200,439,33	19,349,386
(b) Contribution to Provident & Other Funds	569,329	1,225,293
(c) Staff Welfare Expenses	498,225	330,011
Total Employee Benefit Expenses	21,111,487	20,904,690
NOTE 21		
OTHER OPERATING EXPENSES		
(a) Power & Fuel	5,394,057	4,644,319
(b) Rent	3,000,000	3,000,000
(c) Repairs to Machinery	164,788	283,207
(d) Insurance	249,479	50,729
(e) Miscellaneous Expenditure	-	9,365
(f) Payment to Auditors:		
As Auditor	82,725	82,725
Total Other Operating Expenses	8,891,049	8,070,345

VIVO BIO TECH LIMITED

PARTICULARS	AS AT 2011-12 (Rupees)	AS AT 2010-11 (Rupees)
NOTE 22		
ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	91,138	428,281
(b) Business Promotion Expenses	170,713	240,942
(c) Conveyance	163,403	386,360
(d) Office Maintenance	1,323,589	553,873
(e) Printing & Stationery Expenses	158,218	322,751
(f) Rates & Taxes (excluding Income Tax)	47,724	435,529
(g) Managerial Remuneration	39,20,000	34,27,500
(h) Consultancy Charges	1,738,500	1,162,805
(i) Seminar Fee	19,500	70,736
Total Administrative Expenses	76,32,785	70,28,777
NOTE 23		
FINANCE COST		
Interest Expenses		
- Interest on Cash Credit	33,842,572	27,567,407
- Loan processing Charges & Bank Charges	190,667	1,321,677
Total Finance Cost	34,033,239	28,889,084
NOTE 24		
OTHER EXPENSES		
Vehicle Maintenance	1,392,399	402,466
Internet Charges	318,499	435,175
AMC Charges	1,452,935	77,309
Total Other expenses	3,163,833	914,950

Details pertaining to Subsidiary companies as per the requirement of Para (IV) of the directions under Section 212(8) of the Companies Act, 1956, issued by the Ministry of Corporate affairs vide General Circular No. 2/2011 Dated February 8, 2011

SL. No	Particulars	Vivobio labs Pvt. Ltd.	Vivobio Discovery Services Pvt. Ltd.	Vivobio Developers India Pvt. Ltd.
1	Share Capital	1,00,000	1,00,000	1,00,000
2	Reserves and Surplus (Including Debit balance of P&L)	(57,208)	(59,208)	(1,00,000)
3	Total Assets	48,410	46,410	Nil
4	Total Liabilities	5,618	5,618	Nil
5	Investments (Excluding subsidiaries)	Nil	Nil	Nil
6	Turnover	Nil	Nil	Nil
7	Profit/Loss before tax	Nil	Nil	Nil
8	Provision for tax (Including deferred Tax)	Nil	Nil	Nil
9	Profit/Loss after tax	Nil	Nil	Nil
10	Proposed Dividend	NIL	Nil	Nil

VIVOBIO TECH LIMITED

Regd. Office: 608, Lingapur Complex, Himayat Nagar, Hyderabad-500 029

ATTENDANCE SLIP

I hereby record my presence at the 25th Annual General Meeting of the Company being held on Saturday, the 29th day of September, 2012 at 1.00 P.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad -500 026

Name of the Shareholder:

Name of Proxy:

Signature of Member / Proxy:

Regd. Folio No.

Note: To be signed and handed over at the entrance of the Meeting Venue

VIVOBIO TECH LIMITED

Regd. Office: 608, Lingapur Complex, Himayat Nagar, Hyderabad - 500 029

PROXY FORM

Sl. No.

Regd. Folio No.

No. of Shares held

I/We of
..... in the district
of..... in the district of.....
or failing him of.....
in the district of as
my/our proxy to vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company
to be held on Saturday, the 29th September, 2012 at 1.00 P.M. or at any adjournment Affix Re. 1/- Revenue
Stamp thereof. being a member(s) of the above named company hereby appoint
..... of
.....

Signed this day of 2012

Signature

Affix
Re. 1/-
Revenue
Stamp

Note: The proxy form duly completed should be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the meeting.

If undelivered, please return to

Vivo Bio Tech Ltd.

608, 6th floor, Lingapur Complex

Himayath Nagar, Hyderabad,

A.P. INDIA - 500 029.

Ph : +91-40-6678714, 66784719,

Fax : +91-0466776112