

**Transcript of Thirty Fourth (34<sup>th</sup>) Annual General Meeting of the members of Vivo Bio Tech Limited held on Tuesday, September 28, 2021 at 03.30 P.M. (IST) through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM')**

Meeting started at sharp 3.30 PM

**WELCOME ADDRESS:**

**Mr. Karthik Allenkala, Company Secretary:**

A Very Good Afternoon to all the shareholders. I am Karthik Allenkala, Company Secretary of the Company .

I am pleased to welcome you all to the 34<sup>th</sup> Annual General Meeting (AGM) of the Company held through Video Conference (VC) and Other Audio Visual Means (OAVM) in view of the challenges and risks posed by the covid-19 pandemic and keeping in mind safety and security of the shareholders and employees of the Company .

We are holding the AGM through video conference for the second time and the venue of the Annual General Meeting shall be deemed as the Registered Office of the Company . The Register of Directors and KMP Shareholding and the Register of contracts or arrangements in which the Directors are interested, certificate obtained from the Statutory Auditors of the Company confirming the companies ESOP scheme have been implemented in accordance with the SEBI Regulations and the resolutions passed by the shareholders and such other documents as mentioned in the notice convening this meeting will be available for the inspection till conclusion of the meeting. Shareholders seeking to inspect such documents may write to Company Secretary at [investors@vivobio.com](mailto:investors@vivobio.com).

I would like to inform you that in accordance with the Articles of Association of the Company the Board of Directors have chosen Mr. Sunder Kanaparthi, Director of the Company , as the Chairman of the meeting to conduct the proceedings of the meeting. By now most of you must have participated or joining in the meetings through video conference or other audio visual means however I would like to take you through certain points regarding the participation in the meeting.

The facility of joining in this meeting through video conferencing or other audio visual means is enabled to the members on first come first serve basis. All the members who have joined in this meeting are put in mute mode by the host to avoid any background noise and disturbance in the meeting and to ensure smooth and seamless conduct of the meeting.

Once the question and answer (Q&A) session starts the Moderator will announce the names of the shareholders who have registered as a speaker shareholder one by one, the speaker shareholder thereafter will be unmuted by the host to start speaking.

The shareholders are requested to unmute their device before start speaking.

We would also like to request the speaker shareholder kindly limit their speech to 2-3 minutes.

During the meeting if there is any technical issue they may contact the helpline mentioned in the notice of the AGM.

As the requisite quorum is being present, I now request the chairman of the Meeting Mr. Sunder Kanaparthi to open the meeting and address the shareholders.

**PROCEEDINGS OF THE MEETING:**

**Mr. Sunder Kanaparthi Chairman:**

Thank you Mr. Karthik.

Good afternoon, I am, Sunder Kanaparthi, Chairman & Independent Director of the Company, participating in the meeting through Video Conference from my residence in Hyderabad.

I request all the directors who are on Video conference to introduce themselves.

**Mr. M. Kalyan Ram:**

Good afternoon everyone. I am Kalyan Ram, Whole Time Director of the Company, participating through Video Conference from the Registered Office of the Company.

Thank you.

**Mr. K. T.V. Kaladhar:**

Good afternoon everybody. I am K.T.V. Kaladhar, Whole Time Director & CFO of the Company, participating through Video Conference from my residence.

Thank you.

**Dr. Sankaranarayanan:**

Good Afternoon to all the shareholders I am Dr. Sankaranarayanan, Non-Executive Director of the Company, attending the meeting through Video Conference from my residence in Madurai. Today we are meeting in rather unusual times and I hope all of you are safe & healthy and doing well.

Thank you.

**Dr. K.S. Nayak:**

Good Afternoon shareholders, I am Dr. K.S. Nayak, Additional Director of the Company attending the meeting through video conference from my residence in Hyderabad.

Thank you.

**Mr. Hariharan Ravindran:**

Good Afternoon shareholders I am Hariharan Ravindran, Independent Director of the Company and also member of Nomination and Remuneration Committee attending the meeting through video conference from my office in Hyderabad.

**Ms. Kalpana:**

Good Afternoon shareholders and fellow Members, I am Kunda Kalpana, Independent Director of the Company, Chairperson of Nomination and Remuneration Committee and also member of Audit & Stakeholders Relationship Committees attending the meeting through from my home video conference in Hyderabad.

Thank you.

**Mr. Sunder Kanaparthi, Chairman:**

Thank you everyone for your introductions.

Apart from the directors we also have representative of Statutory Auditors of the Company Mr. M. Mohana Saradhi, Partner, M/s. P C N & Associates, Chartered Accountants, Secretarial Auditor of the Company & Scrutinizer for the meeting Mr. G. Vinay Babu, attending this 34<sup>th</sup> Annual General Meeting through Video Conference and

I thank all the members for joining in the meeting I hope the members are safe and in good health.

Due to ongoing covid-19 pandemic and in order to ensure the safety and security of the stakeholders, members and employees in the Company this AGM is being held through video conference and other audio visual means in compliance with the directions of the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Company has taken requisite steps to enable the members to participate and vote on the items being considered in this AGM.

Since there is no physical attendance of the members, the requirement of appointing the proxy is not applicable.

The members who have not voted earlier through remote e-voting can cast their vote in the course of the meeting through e-voting facility.

Since the notice has been already circulated to the members, with your permission, I take the notice convening the meeting as read.

Further, as the report of Statutory Auditors and the Secretarial Auditor were unqualified and without any adverse observations or comments in their respective reports, with your permission, I take the Auditors' Report and the Report of the Secretarial Auditor as read.

Now I come to review of the Company's performance.

**COMPANY'S PERFORMANCE:**

The year gone by 2020-21 has been a year of opportunities and challenges. Let me provide the summary of the Company's performance during the financial year 2020-21.

The Company has achieved consolidated revenue of Rs. 51.85 Cr with an EBITDA of Rs. 17.74 Cr as compared to revenue of Rs. 55.40 Cr during the previous year with an EBITDA of Rs. 12.52 Cr.

Profit after tax stood at Rs. 5.68 Cr compared to Rs. 4.44 Cr during FY 2019-20.

FY 2020-21 witnessed a slight decline in revenues led by our animal breeding division due to covid-19. We expect the growth momentum across our business segments to continue in FY 2021- 22. We expect to sustain the healthy core EBITDA going further. We will continue ramping up our investments in portfolio expansion to secure our future growth.

**Latest developments after 31<sup>st</sup> March:**

Vivo Bio tech has embarked on a major growth path since Mar-2021. All areas of business viz., animal sales, Toxicology services, Diet sales, Clean room lease and Discovery services are showing tremendous promise and huge opportunity for further growth.

Kaizen practices has yielded small, immediate and tangible improvement of processes. FIFO, First in and First out, has reduced inventory, wastage and rework. All the employees are trained on Six sigma concepts to bring in, harmonization in working standards and work communication.

Sales of animals have increased by 25% over last year and we have entered into long term supply contract with one the largest vaccines manufactuers in India India, Prodcution and Inventory optimization along with lean manufacturing practices are incorporated across the board.

New lease arrangements are struct with new companies and existing lease arrangements are extended.

Vivobio tech has closed USD 200,000 study with one of the world's renowned Kidney research Institute.

2020-21 has been a year of Covid vaccine research. Vivo bio has contributed to the research and partnered with a renowned vaccine Company in India for studies on Covid vaccine.

Discovery and Large Animal studies are going to be main area of focus for Vivo in the next five years.

An investment of Rs 18.7 Cr has been done in areas related to Drug discovery and despite being a fledging department, Discovery services department has bagged new contracts in all areas of In vitro ADME and In vivo DMPK services. We look forward to get high value research projects in this area in next 1-2 years.

Vivo is planning to make an investment of Rs 25 Crores in next years to establish large animal facility.

Now I would like to present a brief on future outlook.

**Business outlook:**

We entered the lab animals business in 2010; by the close of FY 2020-21, we were the only merchant producers of specific pathogen free lab animals in India, the largest supplier in the

country, the first on recall for a range of downstream companies and possessing a GLP-certified infrastructure that produced more than 200,000 animals.

Our credibility at Vivo Bio Tech, we are competently placed to address the widening opportunity.

**One**, the Company is positioning itself as a full cycle service provider; this end-to end positioning makes the Company a preferred partner for a range of outsourcing companies.

**Two**, the Company has established a rich track record in the sensitive area of managing data integrity and confidentiality, a critical pre-requisite in the business.

**Three**, we possess extensive documentation capabilities that can catalyse filings for international certifications.

**Four**, the Company has been certified for Good Laboratory Practices, a validation of its professional pedigree in a demand space.

**Five**, we have (as a Group and as a Company ) demonstrated the credentials for working with clients multi-year, graduating what could have been one-off transactions into ongoing relationships.

**How we scaled the lab animals business:**

Our competence at entering and scaling a segment has been reflected in our lab animals business. We entered this business in 2010; by the close of FY 2020-21, we were the only merchant producers of specific pathogen-free lab animals in India, the largest supplier in the country, the first on recall for a range of downstream companies and possessing a GLP-certified infrastructure that produces more than 200,000 animals a year.

**Our versatile engagement format:**

At Vivo Bio Tech, we promise an engagement flexibility. One, we are open to engaging with large companies that provide their animals on which to conduct studies and provide comprehensive results. Two, we are open to providing customers with our facilities where their testing professionals can be deployed; this outsourced rent-lab-area model provides customers a comfort level of working in a world-class environment but keeping to their methodologies. Three, we provide customers the option of their scientists working with ours in a collaborative manner with the objective of jointly delivering credible outcomes.

**Opportunity-ready:**

At Vivo Bio Tech, we are at the right place and the right time.

As the focus on research spending efficiency increases in the wake of the pandemic, we possess the right organizational mindset, certifications and Balance Sheet to create a second revenue engine.

We believe that this revenue engine will accelerate our momentum, enhance margins, lead us to annuity engagements with customers and strengthen stakeholder value.

I would like to express my deep gratitude and appreciation for our bankers, our shareholders and our employees for their continued trust and consistent confidence in Vivo Bio Tech.

With this I thank all the members for joining in the meeting and I now request the Company Secretary to explain the sequence and the process of E- Voting on the resolutions of the notice of the meeting and proceed with the Q & A session.

**Mr. Karthik Allenkala, Company Secretary:**

Thank you Chairman.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company has provided facility of remote e-Voting to its Members from 24<sup>th</sup> September, 2021 to 27<sup>th</sup> September, 2021, in respect of the business to be transacted at this AGM, Further as per the circulars issued by MCA and SEBI, the said e-voting facility also enabled to the shareholders who are present in this AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting. The e-voting is administered by the CDSL.

The shareholders while at the same time attending the proceedings of the meeting can vote on the resolutions through electronic means. Further the resolutions mentioned in the notice have already been put for remote voting there will be no proposing and seconding of the resolution.

I will now request the moderator to call one by one of those members who have registered to speak and we will take answers once the question session is over. The Moderator will call out the names of the speakers and as articulated by us. Thank you

**Moderator:**

Thank you sir. We have received 6 requests from speaker shareholders.

Mr. Praful Chavda please unmute yourself and speak. Sir, he is unable to unmute. Next shareholder Mr. Ramesh Tanduri not joined.

Mr. Santosh Kumar Sharaf, please unmute yourself and speak.

**Mr. Santosh Kumar Sharaf:**

Namaskar, meri aawaj aarahi hai. Adranayi Chairman ji aur mere saathi shareholders, bhaiyo aur beheno, Mera naam Santhosh Kumar Sharaf hai, mein Kolkata se bol raha hoon. Aap sabhi ko mera namaskar. Ash akarta hoon aap sab ache se honge sir. Sir, mein ne aapko letter bhej diya hai, jisme mein ne sab personally likhke bheja hai toh aap dekh lejiye ki mein ne capex plan ke bare mein pucha, rain water harvesting ke baare mein pucha, renowned industry ke baare mein pucha aur aur aapko plastic ke baare mein bhi pucha hai, mein ne woman empowerment ke liye pucha hai aur mein ne uske andar mein appko machinery ke baare mein pucha. Sir aapko who letter mil gaya, aapke secretarial team ko.

**Mr. Karthik Allenkala, Company Secretary:**

Yes sir, we will be answering in due course.

**Mr. Santosh Kumar Sharaf:**

Okay sir, I will not take more time because this is video conferencing meeting, all are hurry to speak. Mr. Karthi Allenkala sir, apka dhanyawad sir aur hamare Directors jitney bhi hai unki lambi umar ki kamna karta hoon aur bhagwan se parthna karta hoon ki hamara Directors aur unki family ko swast rakhe aur Karthik sir aapko bhi dhanyawad deta hoon and aapse request hai ki next time se zarur phone kijeyaga. Dhanyawad aur Namaskar.

**Moderator:**

Thank you very much sir.

Next shareholder, J. Abhishek, he has not joined.

Next shareholder, Shlok Dave, please unmute and ask your query sir.



**Mr. Shlok Dave:**

Hello everyone and thank you very much for the opportunity. I had sent a long list of questions and Mr. Chairman I must thank you and your team and the Company Secretary for answering them in brief detail. I don't really have any further questions as of now but I would love to visit your facility so much as I am now in Hyderabad. This is a very very promising field that you are getting into. Many people have tried and failed spectacularly in CRO in India and I hope you guys can execute and atleast grow to a much bigger scale, sky is the limit for you. I would really really love it if you guys can execute properly because we definitely need proper CRO so all my best wishes to you. Sir, My one request, please keep your AGM in August in next year, towards the end of the AGM season its becomes very difficult to attend all the AGM's because everyone punches them in one go and it becomes very inconvenient. Second request is sir please definitely continue to hold AGM online even if there is a physical meeting you can do it parallely. Infosys has been doing it for more than a decade. So, This is a very good practice. Other than that sir I have been keeping a close watch of the Company and I will try to become a much bigger shareholder over a period of time. You have my best wishes sir please and as I said sir this is with your Company a special interest in CRO, we need a proper CRO in this Country and you guys have to execute it. Failure is not an option sir. Thank you very much sir, all the best sir.

**Moderator:**

Thank you sir. Thank you very much.

Redeppa Gundluru not joined sir.

With this the speaker shareholders is finished sir.

**Mr. Sunder Kanaparthi, Chairman:**

Kalyan I think you can take the question regarding the capex requirement and all that. The question which raised. Probably if one of you could answer. The capex question which was raised you can provide clarification.

**Mr. Kalyan Kompella:**

Last year we have taken loan from Canara bank and have investment in CRO services and also the discovery services and that has yielded results in the just concluded year and going forward in the year 2021-2022 we will be making investment on large animal facilities which will be a major vertical of growth going forward so this will actually compliment the existing business that we are into. We are currently into small animal business on toxic services. i.e.

rats, mice, rabbits etc. The large animals when carried will compliment the entire portfolio and that will be in the future. Apart from that the investments are also going to go into drug discovery services both In-Vitro and In- Vivo. Currently we are doing some projects but I think next year onwards we will have more attraction on these areas and more revenues coming and more clients joining.

**Mr. Sunder Kanapathy, Chairman:**

There were other technical questions asked, Karthik.

**Mr. Karthik Allenkala, Company Secretary:**

Santosh saraf has asked questions through mail, we will revert back through mail.

**Mr. Sunder Kanapathy, Chairman:**

Next time hopefully we will be able to do that and Karthik you can proceed further.

**Mr. Karthik Allenkala, Company Secretary:**

Mr. Yesuraju garu is there any other speaker shareholder.

**Moderator:**

Out of 6 only 2 have joined and we are done with them.

**Mr. Karthik Allenkala, Company Secretary:**

As of now our speaker shareholders are done. Let us proceed further.

As the Notice of the Annual General Meeting since already circulated, with the permission of the shareholders, we take the notice and board reports as read and also with permission of the members we take the Auditors' Report take as read

The Auditors Report and the secretarial audit report does not contain any disqualifications. The agenda items of the Notice of 34<sup>th</sup> AGM for the information of the members as follows:

**ORDINARY BUSINESS:**

1. Adoption of Financial Statements:

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31<sup>st</sup> March, 2021 and the Board's Report and Auditor's report thereon.

2. To appoint a Director in place of Mr. K.T.V. Kaladhar (DIN: 08450361) who retires by rotation, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. Appointment of Dr. Shivanand Nayak Karopadi (DIN: 03523002) as a Non-Executive Director of the Company .

4. Re-appointment of Mr. M. Kalyan Ram. (DIN 02012580), as Whole-time Director of the Company .

5. Increase of Authorised Share Capital of the Company form Rs.16 Crore to Rs. 20 Crores.

6. Alteration of Memorandum of Association of the Company .

7. Appointment of Mrs. Madhavi Latha Kompella as an Advisor for Strategy & Business Development.

As per the Notice of the 34<sup>th</sup> Annual General Meeting, except item no. 7 all other items need to be passed as ordinary resolutions.

We have received good wishes and compliments from many stakeholders and shareholders who could not join the meeting we acknowledge the sentiments and thank them for their continued support.

Mr. G. Vinay Babu Practicing Company Secretary have been appointed as scrutinizer of the meeting to oversee the process of e-voting in fair and transparent manner and submit their report on the same.

I now request the Chairman to give his concluding remarks.

**Mr. Sunder Kanaparthi, Chairman:**

Thank you Karthik.

I hope that those shareholders who could not present their questions due to technical difficulties would be able to send their emails to us and we will definitely be glad to respond

to their queries and questions. If they have any clarifications you are free to send your queries directly and Mr. Karthik will be able to forward it to the Board and the Board will definitely respond.

The E-voting facility is now open. Members may please go to the e-voting page on the CDSL e-voting website i.e. [www.evotingindia.com](http://www.evotingindia.com) and cast the vote those have not availed remote e-voting facility. This e-voting facility will remain open for 15 minutes after this meeting is concluded, to enable the members to cast their votes.

I also authorise the Company Secretary to accept and acknowledge and countersign the scrutinizer's report and declare the consolidated voting results on receipt of the scrutinizer's report.

The results would be announced within two working days from the conclusion of the meeting and the same will be informed to the Stock Exchanges and uploaded on the Company's website.

I thank the shareholders for attending the meeting and continued their support.

I also thank the Directors and Auditors for attended the meeting.

With your consent I and other Board members would like to take your leave I request our shareholders to stay safe and stay healthy.

Thank you very much.

**Mr. Karthik Allenkala, Company Secretary:**

Thank you Chairman.

As informed by our Chairman the e-voting module has been enabled for shareholders who have not cast their remote e-voting may please utilize the facility now.

I request the moderator to enable for e-voting for the shareholders. E-voting will be kept open for 15 min as mentioned by the Chairman. Once 15 minutes is completed we will close the e-voting. Results of the meeting will be announced within two working days from the conclusion of the meeting.

I now conclude the meeting.

Thank you!