

Vivo Bio Tech Limited

CIN: L65993TG1987PLC007163

Regd. Office : 03rd Floor, Ilyas Mohammed Khan Estate, # 8-2-672/ 5 & 6, Road No.1, Banjara Hills, Hyderabad - 500034, Telangana, India.

E-mail Id : investors@vivobio.com

Website: www.vivobio.com

Transcript of Thirty Seventh (37th) Annual General Meeting of the members of Vivo Bio Tech Limited held on Monday, September 30, 2024 at 03.00 P.M. (IST) through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM')

A. Directors and KMP's Present:

1. Ms. Kunda Kalpana - Non-Executive Chairperson - Independent Director & Chairman of Audit Committee and Stakeholders Relationship Committee
2. Mr. Kalyan Ram Mangipudi - Whole Time Director
3. Dr. S. Alangudi - Whole Time Director
4. Mr. Sri Kalyan Kompella - Whole Time Director & CFO
5. Dr. K. S Nayak - Independent Director
6. Mr. Shyam Sunder Tipparaju - Independent Director, Chairperson of Nomination & Remuneration Committee
7. Mr. A V Kiran - Company Secretary

B. Statutory Auditors:

1. Mr. M. V. Joshi - Partner, P. Murali & Co, Statutory Auditors

C. Secretarial Auditor:

1. Mr. G. Vinay Babu - Secretarial Auditor & Scrutinizer

The Meeting commenced at 03.00 p.m.

WELCOME ADDRESS:

Mr. A V Kiran, Company Secretary, started the Meeting with the welcome Note as below.

Good afternoon to all the shareholders. I am A V Kiran, Company Secretary of the Company.

A very warm welcome to each and every one of you. It gives me great pleasure to greet you at the 37th Annual General Meeting (AGM) of Vivo Bio Tech Limited.

I hope you and your family members are safe and in good health.

The Ministry of Corporate Affairs and the Securities and Exchange Board of India have permitted Companies to hold their Annual General Meeting through Video Conference or Other Audio-Visual Means and send Annual Report and the Notice convening the Annual General Meeting electronically.

Accordingly, the 37th Annual General Meeting of the Company is being conducted through Video Conference. The Annual Report has been sent in electronic mode to all the Members holding shares in demat mode or in physical mode, and whose e-mail addresses are registered with the Company, the Registrar & Transfer Agent, and Depository Participant.

I would like to inform you that in accordance with the Articles of Association of the Company, the Board of Directors have chosen Mrs. Kunda Kalpana, as the Chairperson of the meeting to conduct the proceedings of the meeting.

As the requisite quorum is being present, I now request the Chairperson of the Meeting - Mrs. Kunda Kalpana to open the meeting and address the shareholders.

INTRODUCTION OF DIRECTORS:

Mrs. Kunda Kalpana, Chairperson:

Thank you Kiran.

I am Kalpana, Chairperson & Independent Director of the Company, I am also the Chairperson of Audit Committee and Stakeholders Relationship Committee of the Board. I am participating in the meeting through video conference from my residence in Hyderabad.

Good afternoon all and everyone, I welcome all the Shareholders and Directors to the 37th Annual General Meeting of the Company and as the requisite quorum is present I now call the meeting to order.

Today, we have the full Board with us.

I request all the Directors who are attending this meeting through Video conference to introduce themselves.

Mr. Kalyan Ram, please.

Mr. A V Kiran, Company Secretary:

Kalyam Ram sir, please introduce yourself.

Moderator:

Kalyan Ram sir, please unmute.

Mr. Kalyan Ram Mangipudi, Whole Time Director:

Ya.

Hi, Good afternoon to all the shareholders, I am Kalyan Ram, Whole Time Director of the Company, participating through video conference from the Registered Office of the Company.

Thank you.

Mr. A V Kiran, Company Secretary:

Thank you sir, Sri Kalyan sir!

Mr. Sri Kalyan Kompella, Whole Time Director & CFO:

Ya. Good afternoon to all the shareholders, I am Kalyan Kompella, Whole Time Director & CFO of the Company, participating through video conference from the Registered Office.

Thank you.

Mr. A V Kiran, Company Secretary:

Sankaranarayanan sir!

Dr. Alangudi Sankaranarayanan, Whole Time Director:

Hello very good afternoon to all, I am Dr. Sankaranarayanan, a Whole Time Director of the Company. and, I am joining this meeting by video conferencing from my residence in Madurai.

Mr. A V Kiran, Company Secretary:

Nayak sir!

Dr. K.S. Nayak, Non-Executive Director:

Good afternoon shareholders, I am Dr. K.S. Nayak, I am Non-Independent, Non-Executive Director of the Company joining the meeting through video conference from my office.

Thank you.

Mr. A V Kiran, Company Secretary:

Shyam Sunder sir!

Mr. Shyam Sunder Tipparaju, Independent Director:

Ya. Good afternoon shareholders, I am Mr. Shyam Sunder Tipparaju, I am Independent Director of the Company and also chairperson of the Nomination & Remuneration Committee and I am joining the AGM through video conference from registered office, Hyderabad.

Mrs. Kunda Kalpana, Chairperson:

Thank you all the directors for your introduction.

Apart from the Directors we also have representative of Statutory Auditors of the Company Mr. M V Joshi, Partner, M/s. P. Murali & Co, Chartered Accountants, Secretarial Auditor of the Company & Scrutinizer for the meeting Mr. G. Vinay Babu, attending this 37th Annual General Meeting through video conference.

Now, we will proceed with the meeting.

PROCEEDINGS OF THE MEETING:

Dear Shareholders,

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

In order to ensure the safety and security of the stakeholders, members and employees of 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 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.

The Notice dated August 26, 2024, convening this meeting, along with the copy of the Annual Report for the financial year ended March 31, 2024, has already been circulated electronically and with your permission, I shall take the same as read.

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of contracts and/or arrangements in which the Directors are interested, Certificate obtained from Secretarial Auditor of the Company confirming that the Company's ESOP Schemes have been implemented in accordance with SEBI Regulations, the resolutions passed by the Members, and such other documents as mentioned in the Notice convening this meeting, will be available for inspection by the Members. Members seeking to inspect such documents may write to the Company at investors@vivobio.com.

The Reports of the Statutory Auditors on the financial statements of the Company and the Secretarial Auditors for the financial year ended March 31, 2024, do not have any qualifications or observations or comments on the financial transactions or matters as having any adverse effect on the functioning of the Company. Accordingly, the Reports of the Statutory Auditors and the Secretarial Auditors are not required to be read out at the meeting.

The Company, by virtue of being a listed Company, is required to provide e-voting facility to its shareholders. Voting by show of hands is no longer permitted.

The Company has engaged the services of M/s. Central Depository Services (India) Limited (CDSL) to provide the facility of remote e-Voting to all its members to cast their votes on all businesses contained in the Notice.

Voting will be in proportion to the shares held by the members as on the cut-off date, this being Monday, September 23, 2024, in our case.

In line with the regulatory requirements, remote e-Voting facility on CDSL's e-Voting platform was made available from Friday, September 27, 2024, at 9:00 a.m. and closed on Sunday, September 29, 2024 at 5:00 p.m.

As mentioned in the Notice convening the meeting, for those members who did not or could not avail the remote e-Voting facility, the Company is pleased to provide the facility to such members to cast their votes electronically during the AGM on all the proposed resolutions through CDSL's e-voting platform.

The e-voting facility will be activated at the end of the meeting. Members can avail this facility and cast their votes on the resolutions proposed in the Notice.

Let me please clarify that this facility is available only on those members.. sorry.. to those members who are present in the meeting and who have not cast their votes through the remote e-Voting facility provided earlier by the Company. If a member has already voted in the remote e-Voting, such member will not be able to cast the vote again.

The Board has appointed Mr. G. Vinay Babu, Practicing Company Secretary, for scrutinising the e-Voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by Mr. G. Vinay Babu, the Scrutiniser. He will then unblock the results of the remote e-Voting which will then be consolidated with the results of the voting done today during the meeting.

The Voting Results... sorry.. the Voting Results.. Excuse me I am very sorry.... the Voting Results along with Scrutinizer's report will be communicated to the Stock Exchanges within two working days and the same will be placed on the website of the Company and on e-Voting platform of CDSL.

So now coming to the company's performance I would now like to request Dr. Sankaranarayanan, Whole Time Director of the Company to share his thoughts and the Company's performance with the members.

Sir, Dr. Sankaranarayanan garu, please proceed.

PERFORMANCE OF THE COMPANY:

Dr. Sankaranarayanan, Whole Time Director:

Ya. Thank you, Chairperson. A very good afternoon to all the shareholders of the company. Now I would like to give brief overview about the performance of your company provided in two categories, financial and strategic.

From a financial perspective, Aggregate sales were maintained around the level of Rs. 44.92 Crore in this FY, partly on account of reduction in the lease income as one of the large pharma customers moved contract research to its own facilities. The Company reported a 4.3% decrease in net profit in the FY 2023-24 following a decrease in total operating income. The Company reported a 537 bps increase in EBITDA margin in FY 2023-24. EBITDA margin strengthened following reduced realizations, demand and inventory gains. The Company maintained an attractive EBITDA despite sectorial challenges.

Now let me provide the summary of the Company's performance during the financial year 2023-24.

The Company has achieved consolidated revenue of Rs. 45.49 Cr with an EBITDA of Rs. 21.12 Cr as compared to revenue of Rs. 52.26 Cr during the previous year with an EBITDA of Rs. 21.52 Cr.

Profit after tax stood at Rs. 2.53 Cr compared to Rs. 2.65 Cr during FY 2022-23.

We are planning for the growth momentum across our business segments in financial year 2024-25. We will continue ramping up our investments in portfolio expansion to secure our future growth.

Latest Developments:

Now coming to the latest developments as you know the Company offers services from in vitro to preclinical development, and we are one of India's largest full service CROs (within and beyond studies).

Vivo Bio is accredited with a large scope of Good Laboratory Practices studies, highly qualified Diplomate of the American Board of Toxicology (DABT) professionals working, experience of doing studies in a range of complex innovative methods, growing its Absorption, Distribution, Metabolism and Excretion (ADME) and drug metabolism and pharmacokinetics studies i.e., DMPK on large animals and toxicology facilities for large animals like canines, mini-pigs and pigs.

The Company is innovating contract research landscape and Vivo Bio's facility stands as one of India's premier centers for animal experimentation.

The Company's role in lab animal sales, testing and research is becoming crucial in the broader field of drug development in this country.

The Company established a robust Integrated Building Management System with Siemens.

The Company aims to strengthen ties with esteemed global drug discovery firms.

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

Business Outlook:

Coming to the Business Outlook, the Company recognises that its core competence needs to be corresponded by larger revenues. In view of this, the Company appointed consultants across geographies, possessing an insight into the new project development pipeline within Pharmaceutical Companies that need credible biological studies. These consultants will promote the Company's capabilities in the geographies of their presence, strengthening our revenues.

The Company recognises that it needs to evolve into a one-stop solution provider. The Company intends to widen its portfolio of competencies, making it possible to graduate one-off engagements into ongoing partnerships with customers by carving out a larger wallet share. Besides, by cross-selling a range of offerings, the Company intends to deepen its relevance in a competitive market.

At Vivo Bio Tech, we are placed within the leading half a dozen Companies in the biology studies vertical. The Company's objective is to virtually reinvent itself – through scale and scope – across the foreseeable future. This aspiration matches the positive change transpiring in the external environment: there is a growing traction in customer needs with a bias for moving projects from within customers in the US to responsible vendors across international geographies. The customer projects are growing at 20% per annum in the discovery space, marked by a long execution cycle that assures of multi-year revenues. Besides, there is a growing room to build a direct engagement with US customers with the prospect of generating a 4-6x billing size over the Indian realisations. The Company is optimistic of strengthening its biology credentials by extending to studies of large animals during the current financial year and extending to ADME, PKPD and chemistry studies across the foreseeable future.

The one feature of our intent is, that provides me with optimism is that all the experience and growth that the Company has aggregated during the last few years has been in the biology side. The chemistry studies side of the Company's business is yet to be created. This is a considerably larger addressable market coupled with a wider visibility and valuation; and this represents a logical extension from the Company's singular focus on biology studies.

The Company is optimistic that the complement of initiatives – short-term and medium-term – should make it possible to double revenues in the short space of three years, enhancing margins and value for all those who are associated with our Company.

Finally, 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. Thank you.

Mrs. Kunda Kalpana, Chairperson:

Thank you Sankaranarayanan sir.

I now request Mr. Kiran, Company Secretary, to take up the resolutions as set forth in the notice of the meeting.

AGM RESOLUTIONS:

Mr. A V Kiran, Company Secretary:

Thank you Madam Chairperson.

The Ordinary businesses set out in the AGM notice pertain to:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, the Report of the Auditors' thereon and the Report of the Board of Directors.
2. To appoint a Director in place of Mr. Sri Kalyan Kompella (DIN 03137506) who retires by rotation, and being eligible, offers himself for re-appointment.

The Special businesses set out in the AGM notice pertain to:

3. Approval to advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan under Section 185.

The resolutions and the explanatory statement in respect of the special business have been provided in the Notice.

With this I thank all the members for joining in the meeting and we shall now proceed with the Q & A session.

QUESTION AND ANSWER SESSION:

Mr. A V Kiran, Company Secretary:

A few shareholders have registered themselves as Speaker to make queries and comments at the meeting relating to the accounts and operations of the Company during the year 2023-2024.

In the interest of time and with a view to give adequate opportunity to all, I request the Members to be judicious in time and restrict themselves to 2 or 3 minutes. After all the queries are raised, the response to all the queries will be provided in a consolidated manner.

I now request the moderator to facilitate shareholders to speak and make their queries and comments.

Moderator:

Yes sir, first we have Santosh Kumar Saraf, he has not joined sir. We will move onto next, we have Kanwar I S Sahni.

Mr. A V Kiran, Company Secretary:

Has he joined ?

Moderator:

No sir, we will move onto the next, next we have Srikanth Jhawar, Srikanth jhawar attended the meeting but right now he not available.

Mr. A V Kiran, Company Secretary:

Ok, we will move onto next.

Moderator:

Next we have Praful Chavda, he is also not there. Next we have Bharati Saraf, he is also not there. We have Reddeppa Gundluru, not there, he is also not there. Next we have Sanjog Saraf, he is also not there. Abhishek we have, Abhishek ji please unmute karke baat kariye, Abhishek ji please unmute karke baat kariye, Abhishek ji apko unmute karneka request diya sir, unmute karke baat kariye, Abhishek ji unmute kijiye, Kiran garu he is not responding.

Mr. A V Kiran, Company Secretary:

Ok, we will move onto the next.

Moderator:

Next we have Gopal, P Gopal, he has not joined sir. We are done with the speakers, sir.

Mr. A V Kiran, Company Secretary:

Ok, with no queries, I now I request the Chairperson to conclude the meeting.

CONCLUSION OF THE MEETING:

Mrs. Kunda Kalpana, Chairperson:

a... Ladies and Gentlemen, this concludes the business part of the meeting.

The E-voting facility is now available. Members who have not availed remote e-voting facility may please go to the e-voting page on the CDSL e-voting website www.evotingindia.com and cast their vote. This e-voting facility will remain open for 15 minutes, to enable the members to cast their votes.

Mr. G. Vinay Babu, Scrutiniser will submit a report to the Company after consolidating the remote e-Voting and voting at the e-AGM.

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 all the Shareholders for attending the meeting and their continued support. I also thank the Directors and Auditors for attending the meeting.

I request everyone to stay safe and healthy.

As there is no other business to be transacted, I declare the meeting is closed.

Thank you, one and all.

Moderator:

Kiran garu, can I end the meeting ?

Mr. A V Kiran, Company Secretary:

Please end the meeting.

The meeting concluded at 03:22 p.m.

The voting at the e-AGM was open for 15 minutes for members who had not cast their votes to cast their votes.