



PLAYING A  
CRITICAL ROLE IN  
DRUG DISCOVERY  
SERVICES

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### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information.



Online Annual report  
[www.vivobio.com](http://www.vivobio.com)



“

“Today science fiction is the most important artistic genre. It shapes the understanding of the public on things like artificial intelligence and biotechnology, which are likely to change our lives and society more than anything else in the coming decades.”

”

Yuval Noah Harari



CORPORATE SNAPSHOT

VIVO BIO TECH LIMITED.

WE WERE ENGAGED IN THE  
LABORATORY ANIMALS  
SEGMENT; WE ARE NOW A FULL  
SERVICE CONTRACT RESEARCH  
ORGANIZATION.

WE WERE IN A LIMITED SEGMENT  
OF THE SECTOR; WE NOW  
PROVIDE DRUG DEVELOPMENT  
AND DISCOVERY SERVICES WITH  
IN VIVO AND IN VITRO TOXICITY  
STUDIES.

WE WERE GROWING MODERATELY  
IN THE PAST; WE ARE POISED TO  
REPORT ATTRACTIVE GROWTH  
FROM THIS POINT ONWARDS.



### Our strategy

To grow sustainably and profitably through the identification of our customers' research problems and being a solutions provider by partnering global companies with cutting-edge science.

### Our mission

To support Indian biomedical research by making advanced research tools accessible through strategic global partnerships.

### Our leadership team

The Company is led by a credible Board of Directors, which includes Mr. Sunder Kanaparthi, Chairman and Dr. A. Sankaranarayanan, a discovery biologist with more than 35 years of experience in Pharmaceutical R&D and a Scientific Advisory Board that comprises Dr. KS Nayak, among the pioneers of Peritoneal Dialysis and Cadaver Kidney Transplantation in India.

### Our infrastructure

The Company's state-of-the-art 1,50,000 sq. ft. pre-clinical research facility addresses experimentation and animal breeding facilities as well as advanced equipment.

### Our accreditations

The Company is AAALAC International-accredited, GLP-certified as well as CIBRC, DCA, ISO and CPCSEA-registered.

### Our core values

- We constantly strive to identify the research problems of our customers' and make commitment towards providing a seamless solution.
- Valuing our employees is the foundation of our success and we seek to provide respectful, meaningful and exciting opportunities to assist them in performing at their best.
- We are committed to highest standards of ethics and integrity.

### Our employees

The Company possesses a knowledge driven team of professionals operating in the toxicology and animal husbandry segments. Vivo Bio Tech comprised a team of 162 employees as on March 31, 2022.

### Our footprint

The Company's vast infrastructure facility is located in Hyderabad (Telangana), catering to the growing needs of research and studies needed for customers in India and the USA.

### Our shareholding pattern

39.67

%, Promoter and promoter group shareholding as on March 31, 2022

### Our business

Vivo Bio Tech Limited is a full-service contract research organisation, providing drug development and discovery services to global pharmaceutical and biotech companies (guided around OECD-GLP and AAALAC). The Company offers in-vitro and in-vivo services, toxicity studies, pharmacological investigations, pharmacokinetic and toxicokinetic studies - a comprehensive single-point solution.

### Our clientele

The Company's clientele of 180 companies is present across the CRO, Research institutes, Agro, Medical devices and Diagnostics segments.

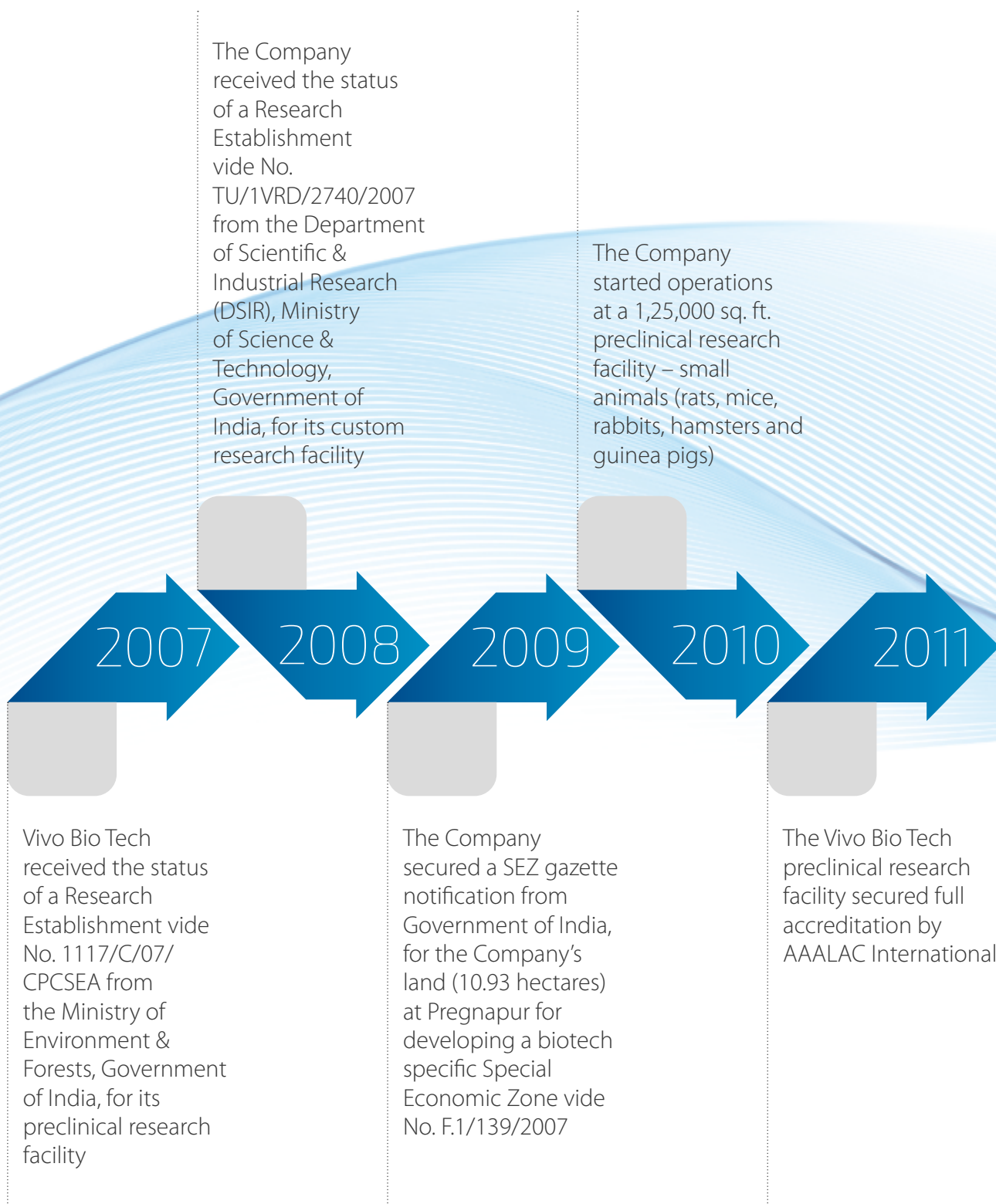
### Our partners

The Company commenced into a partnership with a major international lab animal breeding company for foundation and expansion colonies of SPF rodent models before starting in-house breeding and trading. The Company entered a partnership with Cyagen Biosciences to access genomic technologies.

60.33

%, Public shareholding as on March 31, 2022

# OUR JOURNEY ACROSS THE YEARS



The Company entered into a partnership with a major global lab animal breeding company to offer an international quality of lab animals.

2013

The Company was audited by CIBRC in September 2016 and certified for agrochemical testing for toxicology studies. The Company entered into a partnership with Cyagen Biosciences to access genomic technologies

2016

The Company started the breeding and distribution of SPF guinea pigs

2017

Vivo Bio Tech Limited received ISO 9001:2015 certification for Quality Management System. The Company successfully completed NGCMA - OECD GLP Surveillance and Scope Extension with the introduction of inhalational studies.

2019

The Company transformed from an animal breeding and distributing company into a full service CRO with interest in In-vitro, In-vivo, Eco-Tox, Analytical, Bio-Analytical and Phys-chem, ADME and PK-PD studies. Last year saw addition of international clients with long-term outsourcing and service agreements

2021

# HOW THE COMPANY PERFORMED ACROSS THE YEARS



## Definition

Increase in sales after taxes (if any).

## Why is this measured?

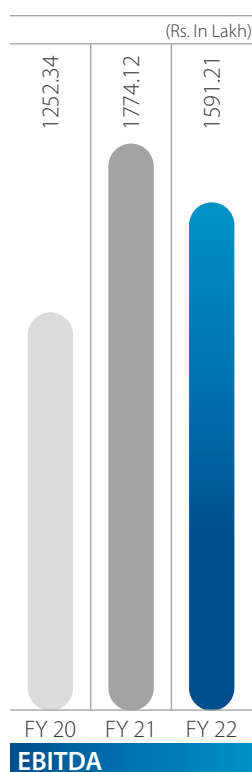
It shows the Company's capacity to increase sales, as indicated by the number's comparability to peers in the industry.

## What does it mean?

Aggregate sales were maintained around the level of the previous year at Rs. 5148.31 Lakh in FY 2021-22, partly on account of the impact of the pandemic, where sales were affected in the second quarter of the financial year.

## Value impact

The company grew faster than the sectorial average, which resulted in a growth in market share in FY 2021-22.



## Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

## Why is this measured?

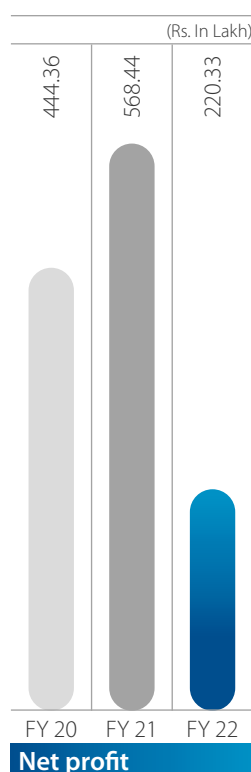
It is an indicator of the company's capacity to produce a surplus after deducting operational expenses.

## What does it mean?

It contributes to the development of a strong growth engine, much of which may be made available for reinvestment.

## Value impact

The Company generated an attractive growth in EBITDA despite sectorial challenges.



## Definition

Profit earned during the year after deducting all expenses and provisions.

## Why is this measured?

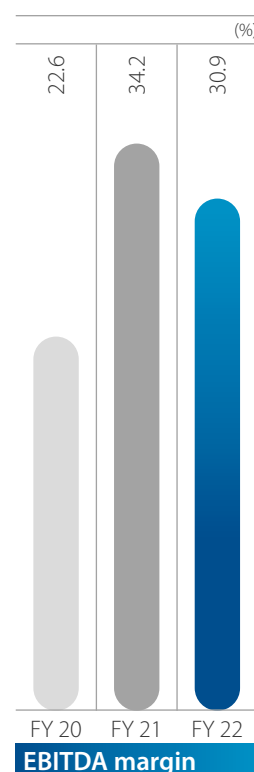
This measure highlights the strength of the business model in enhancing shareholder value.

## What does it mean?

It ensures that adequate surplus is available for reinvestment in the Company's operations and enhancing net worth.

## Value impact

The Company reported a 61.26% decrease in net profit in FY 2021-22 following increase in material and administrative costs.



## Definition

EBITDA margin is a profitability measure used to assess a company's ability to generate a surplus (pre-interest, depreciation and tax) on a rupee of sales, expressed as a percentage.

## Why is this measured?

The EBITDA margin provides a lucid insight into the Company's earning capacity.

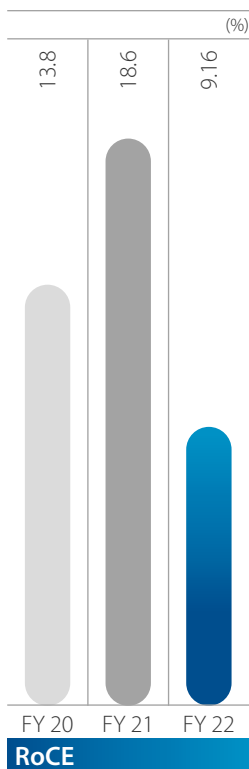
## What does it mean?

This demonstrates the buffer available within the Company to absorb interest and tax outflow and after making a provision for depreciation.

## Value impact

The Company reported a 330 bps decline in EBITDA margin during FY 2021-22, partly as a result of an increase in costs that could not be passed on and customers seeking lower prices.





#### Definition

It is a financial ratio that measures a company's profitability and the efficiency with which capital is employed in the business.

#### Why is this measured?

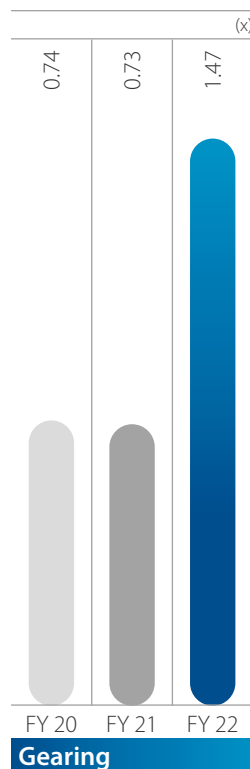
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

#### What does it mean?

Enhanced RoCE can influence valuation and perception.

#### Value impact

The Company reported a 944 bps decline in RoCE during FY 2021-22 due to a decline in EBITDA and increase in debt of Rs. 3803 Lakh.



#### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

#### Why is this measured?

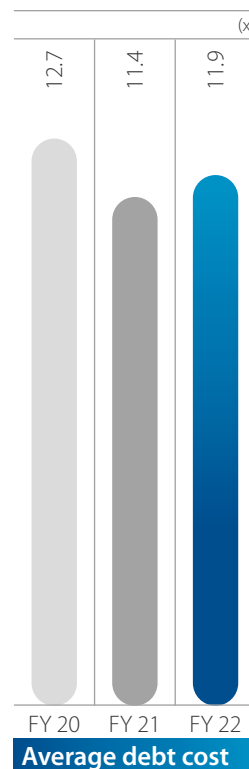
This is one of the defining measures of a company's financial solvency.

#### What does it mean?

This measure indicates the extent of borrowing room available, the lower the gearing the better.

#### Value impact

The Company's gearing more than doubled on account of an increase in debt in the last quarter of the FY 2021-22.



#### Definition

This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

#### Why is this measured?

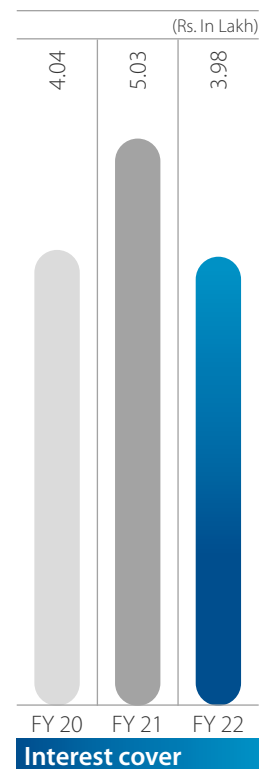
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

#### What does it mean?

Enhanced cash flows; strengthened credit rating for successive declines in debt cost.

#### Value impact

The normalised debt cost of the Company increased by 50 bps during the year following the mobilisation of additional debt.



#### Definition

This is derived through the division of EBITDA by interest outflow.

#### Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

#### What does it mean?

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

#### Value impact

The Company's interest cover moderated by 105 bps during the year under review due to an increase in interest outflow and decline in EBITDA (enhanced material and administrative costs).

# GROWING OUR C.R.O PERSONALITY AND CLIMBING THE VALUE PYRAMID

