

## TRANSCRIPT

### 35<sup>th</sup> AGM OF MOREPEN LABORATORIES LIMITED

HELD ON 30<sup>TH</sup> SEPTEMBER, 2020 THROUGH VIDEO CONFERENCING

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**Mr. Vipul Kumar Srivastava:** Good Morning Dear Shareholders, I, Vipul Kumar Srivastava, Company Secretary of your Company, welcome all of you to the 35<sup>th</sup> Annual General Meeting of the Morepen Laboratories Limited which is being held today through video conferencing. Before I hand over the proceedings to the Chairman to declare the meeting open. Let me introduce the Directors, Auditors and Scrutinizer who are joining us today through VC. Starting from **Mr. Sushil Suri**, Chairman and Managing Director of the Company, attending this meeting from Delhi.

**Mr. Sushil Suri:** Good Morning, welcome everybody!

**Mr. Vipul Kumar Srivastava:** Mr. Manoj Joshi, Independent Director and Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee, attending this meeting from Delhi.

**Mr. Manoj Joshi:** Greeted with folded hand.

**Mr. Vipul Kumar Srivastava:** Mr. Sukhcharan Singh, Independent Director of the Company, attending this meeting from Delhi.

**Mr. Sukhcharan Singh:** Greeted with folded hand.

**Mr. Vipul Kumar Srivastava:** Mr. B R Wadhwa, Independent Director of the Company, attending this meeting from Delhi.

**Mr. B R Wadhwa:** Greeted with folded hand.

**Mr. Vipul Kumar Srivastava:** Mr. Praveen Kumar Dutt, Independent Director of the Company, attending this meeting from Delhi.

**Mr. Praveen Kumar Dutt:** Greeted with folded hand.

**Mr. Vipul Kumar Srivastava:** Mr. Sanjay Suri, Whole-Time Director of the Company, attending this meeting from Chandigarh.

**Mr. Sanjay Suri:** Good Morning everyone!

**Mr. Vipul Kumar Srivastava:** Dr. A K Sinha, Whole-time Director of the Company, attending this meeting from Mumbai.

**Dr. A K Sinha:** Good Morning!

**Mr. Vipul Kumar Srivastava:** Dr. Savita, Independent Director of the Company, attending this meeting from Delhi.

**Dr. Savita:** Good Moring, Good morning everyone!

**Mr. Vipul Kumar Srivastava:** Mrs. Anju Suri, Non-Executive Director of the Company, attending this meeting from Delhi.

**Mrs. Anju Suri:** Greeted with folded hand.

**Mr. Vipul Kumar Srivastava:** We also have Mr. Ajay Sharma, Chief Financial Officer of the Company.

**Mr. Ajay Sharma:** Good Morning!

**Mr. Vipul Kumar Srivastava:** Mr. Satinder Goyal, Partner of M/s. Satinder Goyal & Co., Statutory Auditors of the Company and Mr. Praveen Dua, Proprietor of PD & Associates, Secretarial Auditors of the Company and also Scrutinizer for this AGM, joining us through VC.

I would like to highlight certain points here. The joining to this meeting has opened 30 minutes before the scheduled time of the commencement of the meeting, which is 11:00 O'clock and it will remain open for minimum 15 minutes after commencement of the meeting. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting.

Participants connecting through mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

As mentioned in the notice, the facility of participation in the AGM through video conferencing or other audio/visual means has been made available for 1000 members on First come First serve basis, except for large shareholders, promoters, institutional investors, directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders relationship committee as well as the Auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.

Subsequent to the MCA circular dated 8<sup>th</sup> April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through VC or other audio/video means and participate, cast their votes through e-voting.

The registered office of the company situated in Himachal Pradesh, shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made there at.

To transact the businesses as mentioned in the notice, the members were provided an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the company at its email id., i.e., investors@morepen.com till the date of AGM. During the 35<sup>th</sup> Annual General Meeting, the Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 etc., are open for inspection electronically, members may inspect the same.

We have received numerous requests from members for registration as a speaker shareholder in the AGM today. The company will give opportunity to those speakers who has requested in the manner provided in the notice. All those shareholders shall be allowed to speak once the Chairman directs the same.

We request speakers to limit their speeches up-to 3 minutes for the benefit of other shareholders. Upon commencement of the question hour, I will announce name of the Shareholders who have registered to speak at the meeting. The speaker shareholder, if present, will thereafter be unmuted by the host. If such Shareholder is not able to join through video for any reason, then that member can join through the audio mode. The Shareholders are advised to use headphones for Clear Audio and switch off other background applications.

Non-registered shareholders as speakers who are attending this meeting through VC today are also invited to express their views and raise questions, if they have any, in the chat box provided. The Chairman would be responding to such queries at the end of the meeting, if possible, otherwise will be responded within a week time. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at this AGM.

With this, I now hand over the proceedings to the Chairman Mr. Sushil Suri, and Thank you so much.

**Mr. Sushil Suri (Chairman):** Thank you, Vipul. Good Morning everybody. I welcome you all to the 35<sup>th</sup> Annual General Meeting of your company. Dear shareholder, as you all know that with ongoing Covid-19 pandemic, social distancing has become a norm to be followed for all the public events. Therefore, this AGM today has been convened through video conferencing in compliance with the Companies Act, 2013, read with specific circulars of the Ministry of Corporate Affairs,

Government of India, which exempt physical attendance of the members at the AGM venue. The quorum being present, I declare the meeting open.

During the Financial Year 19-20, the company has performed very well in all the segments and I am very happy to share with you the consolidated financial results of the Company for the year 19-20.

For year 19-20, the Company had a net revenue for 862 crores and the net profit of 33.57 crore, if you compare to the last year i.e., financial year 18-19, we had a revenue of 772 crores and currently are 862 crore, there is a upside of almost 12 % 11.71% to be precise.

Going to the export turnover, export turnover has also gone up by 10% from 312 crore to 343 crore. I would like to share here that all the exports are primarily on account of API to the regulated and semi-regulated markets and all the advanced market of US, Europe and even in China

Domestic front also, the company as performed very well. Export turnover to 400, domestic turnover 468 crores have gone up to 519 crores. There's upside of 13% in the domestic turnover. And then going specifically to the API Business. Even though the last quarter we had last 2 weeks of the quarter where we have privileges. But the business has gone up by 15% from 413 crores to 474 crores, API business up by 15%. Here our main products like loratadine, atorvastatin, montelukast, rosuvastatin. All of the products performed very well both in the domestic market and in the international.

Medical devices business is another highlight area, wherein we have a growth by 140 crores to 168 crore and there is a jump of 20%. Here the main product of your company is a blood gluco monitor, and these gluco meter has done very well now to share your company has base of more than 4 million of actual users of the meters and the company Has proudly sold more than 450 million strips of the gluco meter.

Coming to the branded formulation, the branded formulation has also gone up by 19% from 34 crores to 40 crores. OTC business has gone up by 19% from 54 crore to 65 crores. and coming to EDITA finally, all the businesses have done very well and EDITA has gone up from 71 crores to 78 crore being upside of 9<sup>1/2</sup> % and this EDITA has result in 10% increase in the cash profit from 69 crores to 76 crores.

And all in all the net profit before tax has go up by 34% from 29 crores to 39 crores. I am proud to share that profit after tax gone up by 16% from 28. 84 crores to 33.58 crores that what adds to the bottom line of the company and results and you know better EPS of all of us of shareholders of the Company

Thank you so much for patiently listening to the highlights of the results.

Now coming to the Annual Reports, the Statutory Auditors of the company Satinder Goyal & Co, have expressed unqualified opinion in its Audit Reports for the Financial Year 19-20. Similarly, PD & Associates, the Secretarial Auditor, has also expressed no qualifications, observations or adverse comments in its Secretarial Audit Report except mention of cancellation of equity shares

pursuant to Hon'ble NCLT's order and redemption of Preference Shares issued to Banks. The Board of Directors has explained about the aforesaid remarks of Secretarial Auditor in the Board Report at the page no. 40.

The notice convening this meeting and Annual Report including the Director's Report, Auditors report etc. had already been emailed to all shareholders and are taken as read.

Dear shareholder, today COVID-19 has brought new set of challenges for each of us and particularly to the trade and business. We, at Morepen, quickly adapted to the new challenges and took series of measures to keep the ball rolling. With all safety protocols in place, our plant teams have worked day and night to keep the factories running and have kept the spirits high. Though there were many supply disruptions, our dedicated teams ensured regular supplies of all the inputs and we were able to service all our supply chains in this time of crisis. With valuable support of State Govt. and Central Govt. relaxation for supply of essential goods, your Company was able to stay committed in this difficult time.

I am happy to share that even during the complete lockdown; your Company's OTC Division also launched many products to help customers fight COVID-19 promoted under the brand 'Dr. Morepen'. During the COVID time, everyone was advised to build his immunity and we also introduced few products during this period to boost the immunity and be better prepared to handle the viral infections.

Our Medical Devices Division had also been on the toes to maintain the regular supply of Blood Glucose Monitors, BP Monitors, Nebulizers for its customers sitting at home. We had to put an extra effort to maintain the supplies of non-contact thermometers and oximeters in need of the hour.

The pandemic has fundamentally changed the way we live and work, and has made us work from home, maintain social distancing, and go for higher technology. At Morepen, we swiftly laid out a response plan to the unfolding challenges. As the pandemic spread, our priority was to ensure the health and well-being of our employees and deliver seamless business continuity with least disruption. Our employees, while working from home, had access to the latest technology tools, ensuring continuous support to our partners and customers. Even during the complete lockdown, our team was accessible through multiple channels and has been able to close most of the business calls through audio and video assistance.

We remain optimistic and continue focusing on priorities of safety, stability and continuity. I would like to express my gratitude to all employees, the Board and the stakeholders for their support, continuous guidance, and co-operation throughout this journey.

Dear shareholders, before I conclude I would like to share with you the Cover page of your Annual Report which is dedicated to our 'Special Heroes' of this challenging time. Now, through this

platform, in your presence, and august presence of all the board member, I am proud to take this opportunity to say a BIG “THANK YOU” to all the doctors, nurses, ward boys, all medical and paramedical staff of all the hospitals, isolation wards, ambulance drivers and the police personnel who have standing tall against this COVID challenge and was fighting this battle on ground while we were sitting home scared of getting out.

Today, on behalf whole Morepen family, all Hon’ble Board members, all the shareholders, and on behalf of all our vendors, customers and associates, we would like to salute the incredible efforts, spirit, resilience which medical fraternity has shown in the face of this crisis. These human Gods have put their own lives at stake to save our lives, and surely deserve a standing ovation and utmost gratitude with folding hands. We certainly cannot match the care, compassion and strength all these frontline warriors have expressed, but would say “THANKYOU” again, Thank you so much.

With this, I hand over the stage to the company secretary to proceed further.

**Mr. Vipul Kumar Srivastava:** Thank you Sir. Pursuant to the provisions of the Companies Act 2013 and the SEBI listing regulations, the company has provided facility for voting by electronic means to all its members to enable them to cast their votes electronically and the business may be transacted through e-voting.

For this purpose, the company has tied up with the e-voting system of National Securities Depository Limited for facilitating voting through electronic means as the authorized agency. The company provided remote e-voting facility to all the persons who were members on 23<sup>rd</sup> September 2020, being the cutoff date, for vote on all the 11 resolutions as set out in the notice of AGM. Members attending the AGM today who have not casted their vote by remote e-voting are entitled to exercise their right to vote by e-voting.

The e-voting are open during the meeting and will be ended after 15 minutes after the conclusion of the AGM. Mr. Praveen Dua, practicing company secretary has been appointed by the Board as the scrutinizer for remote e-voting and e-voting at the AGM, today.

The results will be declared on or before 2<sup>nd</sup> October, 2020 after considering the e-voting done by the members participating in this AGM and also the remote e-voting already done by the members. The results along with scrutinizer’s report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be placed on the website of the company. As the meeting is convened through VC today, resolutions have already been put to vote through e-voting therefore requirement to propose and seconded is not applicable.

With this, I now request to the Chairman, may I proceed with question/ answer session.

**Mr. Sushil Suri:** Yes, Vipul. Please proceed with the questions/ answer session. I will attempt to answer the questions all of them once all the shareholders have spoken.

**Mr. Vipul Kumar Srivastava:** Thank you Sir, now I call name of the person who have registered himself as a speaker. Kindly turn on your video when you are projected on the broadcast screen, unmute yourself, and proceed to ask the question. Please first mention your name, Folio Number and the location from where you are joining. Now, I request to Mr. Sandeep Nanda, authorized representative of Security Investments Limited, being a registered speaker, to unmute himself and proceed with your question.

**Mr. Sandeep Nanda:** Hello, good morning to all of you, can you hear me I first congratulate the company for the amazing results to come up with

**Mr. Vipul Kumar Srivastava:** Sir, please open your video, please turn on your video

**Mr. Sandeep Nanda:** Can you see me now?

**Mr. Vipul Kumar Srivastava:** yeah

**Mr. Sandeep Nanda:** God morning to all of you, I first congratulate the company for the amazing results to come up with and I hope you will go the way head. My question to you is, this that are you looking to bring in more capital by way of their promoter's contribution or from outside, may be by the communicative or foreign equity which I through would be viable for the company.

**Mr. Vipul Kumar Srivastava:** Thank you for your question, Mr. Sandeep Nanda, we have a question coming in from the next shareholder. Ms. Pushpadevi Khandelwal. I request to the moderator to please connect to Ms Pushpadevi Kandelwal.

**Mr. Vipul Kumar Srivastava:** I think there is some connectivity issue with her, Now, moving to the next question coming in from the next shareholder. Mr. Roshan, Is he present in the meeting?

**Mr. Roshan:** Hello, I hope you can hear me!

**Mr. Vipul Kumar Srivastava:** I think your video is not turned on.

**Mr. Roshan:** Oh! Just give a minute, Good Morning, I hope everyone is doing good I am Roshan Patra calling from Delhi, do I need to mention my client ID as well 06423928

**Mr. Vipul Kumar Srivastava:** Yeah, Mr. Roshan please proceed with your question.

**Mr. Roshan:** My question is related to COVID, how company has performed during the COVID and what are the obstacles and what are the impact on operations and financials during this period and in future?

**Mr. Vipul Kumar Srivastava:** Thank you for your question, Mr. Roshan, your question will be answered by our chairman. We have another question, which is supposed to come from Ms. Dishy, please go ahead with your question. I request to the moderator to please connect with Ms. Dishy.

**Ms. Dishy:** Hello.

**Mr. Vipul Kumar Srivastava:** Yes, please go ahead with your question, Ms. Dishy

**Ms. Dishy:** Good morning everyone!

**Mr. Vipul Kumar Srivastava:** Your video is turned off; please turn on your video first.

**Ms. Dishy:** Ok, sorry, yeah. Ok am I visible?

**Mr. Vipul Kumar Srivastava:** Yeah now you are visible please go ahead with your question!

**Ms. Dishy:** What are the products which are to be launched post expansion and how it will impact the profits of the Company? and my next question is Why has the price of the shares haven't increased after posting such marvelous results?

**Mr. Vipul Kumar Srivastava:** Thank you for your question, Ms. Dishy. With this, we don't have any other question from members, therefore, I request to the Chairman, please take up the questions.

**Mr. Sushil Suri:** Good morning once again everybody, Thank you, Vipul. I have written down name of each shareholders and the question asked by them. I am addressing each question, one-by-one.

Coming to the first question asked by Mr. Sandeep Nanda regarding to infusion of more capital by the either by promoters or outside investors. As you would know Mr. Nanda, company has some restriction from the regulator, SEBI, regarding the issuance of fresh capital which has expired just last week, may be once know we have a free excess to the market, the board will take a call. According to the business plan that what are the new requirements in case the company needs more funding in this case we are open for that, whatever be the final decision it will be conveyed through the shareholders meeting. I hope question of Mr. Sandeep Nanda, has been

answered. Thank you Mr. Nanda.

Now, second question is coming from Mr. Roshan, regarding COVID-19 that I think this is a very obvious question you all have this question. All business, all industries all families everybody is fighting through this but Roshan ji I must share with you that COVID was a real challenge for the company and it was difficult for the company to keep the factories running but thankfully our team performed very well with the support of the govt. because pharmaceutical was an essential item and we had a good support from the govt. for factory kept working continuously to all the lockdown period. There was no loss of production there was minimal production, there was some supply issues, there was restriction on the flights, cargoes, custom duties, release of documents there was issues what I have seen no complaints. Everybody worked together and the last quarter we grew by around 27% and so far so good even in the current quarter. So in the operation point of view, we have not much challenge. Now coming specifically to the business impact, so there was two type of impact one of course is that because of the COVID requirement of the market was changed. People are not buying routine things, so everybody want to buy products related to the COVID, related to immunity, so your company has launched many products to COVID, starting from sanitizer, to masks, disinfectants to our favorite brand burnol, we even launched anti-septic soap, then we launch many products related to immunity whether it is gummies or chavanprash. All the products which are related to immunity who have been launched by the company during the COVID time and the 2<sup>nd</sup> impact of COVID in the international market. There I would like to say that the company rather has the positive results on this because of shortage of the products. So there was a lot of enquires all over the world because of shortage of the products even from the China so our exports have increased. Our API sale has increased. So there is a positive impact. No doubt future is still uncertain, we do not know how long this COVID will remain and how long this will continue but we are prepared for whatever the challenges will come, with the support of our shareholders, with the support of the Honorable board and the guidance of all the states and the central govt., we will be able to face the situation so far so good.

Now, the next question is from Ms. Dishy, I think that is in two part, one is what are the products we will be launching in our expansion plan from the API. We will have a good range of products around 40, around 20 of them are existing products, we are expanding and then there will be other products which we will launch. So we have a strong pipeline of around 29-30 products which have to be launched in next 10 years' time. So the company would be doing bits of all products and new products and certainly to the large capacity, to the product, to the sale and also to the profitability of the company.

Your second part of the question is more interesting why the share price of the company has not moved inspired to the good results, so I would like to say that we are not able to comment on the market but certainly it would take some time to the market to reflect on the results. But for sure the things will go in a most favorable in the coming time. Here we are not able to comment actually on this topic. Thank you very much!

With this, now I would like to thank you to the members, for your insightful and rather interesting questions on this virtual AGM, now I again handover the stage to Mr. Vipul again.

**Mr. Vipul Kumar Srivastava:** Thank you Sir, with this, we are concluding question/ answer session. We have received few more request but their details were not sufficient to take up them at this meeting. So going to the chairman

**Mr. Sushil Suri:** Members attending the AGM today, who have not already cast their vote by remote e-voting, may cast their vote now through e-voting platform you will be given additional 15 minutes' time for the e-voting. I once again thank you all for participating in the AGM.

**Mr. Vipul Kumar Srivastava:** Thank you so much, Sir.

**Mr. Sushil Suri:** Thank you. Vipul, do all the board members log off now?

**Mr. Vipul Kumar Srivastava:** Yes, Sir. They can now leave the meeting and the e-voting platform for the members will remain open for 15 minutes' time from here, thank you much Sir.

**Mr. Sushil Suri:** Ok. Thank you very much. Thank you all for attending the meeting and I hereby declare the proceedings as closed, see you next year. Goodbye!

**Mr. Vipul Kumar Srivastava:** Thank you members!

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