

TRANSCRIPT

EXTRA ORDINARY GENERAL MEETING ('EGM') OF MOREPEN LABORATORIES LIMITED HELD ON 5TH NOVEMBER, 2020 THROUGH VIDEO CONFERENCING

Mr. Vipul Kumar Srivastava: Good Morning Dear Shareholders, I, Vipul Kumar Srivastava, Company Secretary of the Company, welcome all of you to the Extra Ordinary General Meeting of the Morepen Laboratories Limited which is being held today through video conferencing.

I would like to introduce the Directors, Auditors and Scrutinizer who are joining us today through video conferencing.

Mr. Vipul Kumar Srivastava: Mr. Sushil Suri, Chairman and Managing Director of the Company, being the Chairman of this meeting as per the Articles of Association of the Company, joining this meeting from Delhi.

Mr. Sushil Suri: Greeted with folded hand.

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, 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, joining 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: 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: Mr. Sanjay Suri, Whole-Time Director of the Company, attending this meeting from Parwanoo, Himachal Pradesh.

Mr. Vipul Kumar Srivastava: Mr. Sanjay Suri!
(Wait for few seconds, no response)

Mr. Sushil Suri: Coming to the next.

Mr. Vipul Kumar Srivastava: Yah, Dr. A. K. Sinha...

Mr. Sanjay Suri: (projected on broadcast screen) Greeted with folded hand.

Mr. Vipul Kumar Srivastava: This is Mr. Sanjay Suri, Whole Time Director of the Company, joining from Parvanoo, Himachal Pradesh.

Mr. Sanjay Suri: Again, greeted with folded hand.

Mr. Vipul Kumar Srivastava: Coming to Dr. A. K. Sinha, Whole-time Director of the Company, attending this meeting from Parvanoo, Himachal Pradesh.

Dr. A. K. Sinha: Greeted with folded hand.

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

Dr. Savita: (No response recorded).

Mr. Vipul Kumar Srivastava: Apart from Directors, Mr. Ajay Sharma, Chief Financial Officer of the Company and Key Managerial Personal of the Company as well.

Mr. Ajay Sharma: Greeted with folded hand.

Mr. Vipul Kumar Srivastava: Mr. Shubhanshu Jain, Partner of M/s. Satinder Goyal & Co., Statutory Auditors and Mr. Praveen Dua, Proprietor of PD & Associates, Secretarial Auditors and also Scrutinizer for this Extra Ordinary General Meeting, joining us through VC today. Before we start, I would like to highlight certain points here.

In view of COVID-19 pandemic, social distancing is a norm to be followed and as per the various Circulars issued by Ministry of Corporate Affairs and SEBI this EGM is being held today through video conferencing. Initially, the Ministry of Corporate Affairs was allowed to convene the general meeting up-to 30th June, 2020, which has been extended up-to 31st December, 2020 by latest circular issued by the Ministry of Corporate Affairs. The facility for joining this meeting through video conferencing or any other audio-visual means has been made available for the members on a first-come-first-serve basis.

The joining to this meeting has been opened 30 minutes before the scheduled time of the commencement of this meeting, which is 11:00 O'clock and it will remain open for minimum 15 minutes after the 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. Therefore, it is recommended to use a stable wi-fi or LAN connection to mitigate any kind of aforesaid problems.

As the EGM is being held through video conferencing, the facility for appointment of proxies by the members is not applicable. However, the body corporate entitled to appoint authorized representatives to attend the EGM through VC or other audio/video means and participate, cast their votes through e-voting.

The Company has received requests from a few members to register themselves as a speaker at the meeting. The Company will give opportunity to those speakers who has requested in the manner provided in the notice of this Extra Ordinary General Meeting. Such members shall be allowed to speak once the Chairman directs the same. Accordingly, these members will allow to express their views and ask questions during questions and answers session.

We request speakers, will limit their speeches up-to 3 minutes for the benefit of other members. Upon commencement of the question hour, I will announce name of the members who have registered to speak at the meeting. The speaker, if present, will thereafter be unmuted by the moderator. If such member is not able to join the video for any reason, then that member can join through the audio mode. The members are advised to use headphones for clear audio and switch off other background applications and turn on your video. The members are also advised to keep handy your folio no., that will be needed at the time of beginning of your speech.

Those members who were not registered as speakers and attending this meeting through VC, are also entitled to express their views and raise your questions, if they have any. The Chairman would respond to said 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 meeting.

The Company had provided the facility to cast the votes electronically on the resolution set forth in the Notice. Members who have not casted their votes electronically and participating in this meeting, will have an opportunity to cast their votes during the meeting through the e-voting. The Member(s) who have exercised their right to vote through remote e -voting and are present at this EGM, may participate in this meeting. However, they shall not have a right to vote again.

The results of the voting will be declared and the same along with the Scrutinizer's Report will be uploaded on the website of the Company within forty-eight hours of the conclusion of this EGM.

Members are requested to refer to the instructions provided in the notice, for a seamless participation through video conferencing. In case members face any difficulty, they may reach out on the helpline numbers provided in the notice.

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

To transact the business as mentioned in the notice, the members were provided an opportunity to inspect documents as referred to in the notice and the explanatory statement attached therewith by writing to the Company at its email i.d., i.e., investors@morepen.com till the date this EGM. During this Meeting such documents, are open for inspection electronically, members may inspect the same.

With this, I now hand over the proceedings to Mr. Sushil Suri, the Chairman & Managing Director of the Company. Thank you.

Mr. Sushil Suri: Thank you, Vipul. Good Morning everybody. I welcome you all to the Extra-Ordinary General Meeting of your Company. Dear shareholder, it gives me immense pleasure to interact with you again this year. As we all know because of the pandemic COVID-19, social distancing norm is to be followed for all public events. Therefore, as Company secretary informed, this EGM is being held today through video conferencing in compliance with the Companies Act 2013, read with relevant circulars of the Ministry of Corporate Affairs, Government of India, which exempt physical attendance of the members in the EGM venue.

As informed by the Company Secretary, we have sufficient quorum of the Members participating through video conferencing. Accordingly, the meeting is properly constituted and I call the meeting to order.

Dear members, during the last financial year, your Company had performed very well in all business segments. Further, I would like to share that the API business of the Company is doing exceedingly well and is gaining better traction in the international markets, thanks to highest standards of quality maintained by the Company for latest innovative products. Encouraged by the unfulfilled demand of existing products and keeping in mind the strong pipeline of APIs under development which are going generic over the next 5-6 years. The Company is setting up a new plant wherein it will add extra capacities, which will cover over 40 fresh and existing molecules and is expected to commence commercial production over the next two to three years. The expansion plan will generate employment for about 700 people. With this move the Company will become a global sourcing hub for most of the key APIs in chronic segment like diabetics, cardiac, neuro and other lifestyle diseases. The majority of the funds proposed to be raised through issuance of shares warrants would be utilized towards capital expenditure for the new project including R & D and increasing working capital for growing business.

The Company's R&D center continues to be the key driver for sustain growth and strong pipelined of the products, in the coming year. R&D's major capabilities vest in developing

new APIs at efficient cost, development of new polymorphs & non-infringing processes for the synthesis of various APIs and cost reduction by improving processes for existing APIs. In line with its vision of keeping pace with the changing landscape, the Company continues to invest in its R&D's infrastructure which is aimed at developing new molecules to deliver the latest drugs at competitive prices in the global markets. The Company's strong R&D team has successfully developed over 25 products in last three years out of which 12 products have already been commercialized.

Your Company's R&D Centre meets all the global requirements and is approved by Department of Scientific & Industrial Research, Govt of India and has filed 125 Patents, 111 DMFs, 8 CEPs for US, Europe, China, Japan, Taiwan and Australian markets.

I am proud to share that your Company has been granted three new patents in the last six months and we have done 6 more filings strengthening the intellectual property of the Company for various products. Many new products in the antidiabetic, antidepressant, and anticoagulant have been developed by the R&D Centre during last six months. Company had filed one new USDMF and filed three new IDLs for Chinese market. So, in all API have been doing well.

Coming to the medical devices business, the Company is an established name in the home diagnostics sector which remained untapped for a long period in India. The Company was the first one to manufacture home diagnostic devices in India to address the growing menace of diabetes and cardiac problem in the country.

With over two decades of innovation and cost control efforts, the Company has been able to offer affordable medical devices to Indian consumers and has grabbed majority share of medical devices market in India under the brand 'Dr. Morepen' which has gained No.1 position in manufacturing and marketing of Blood Glucose Monitors in India, displacing some established multinational players.

With a stable base of more than four million installations Blood Glucose Monitors, the Company has sold more than 500 million glucometer strips till date. Dr. Morepen also has a formidable presence and is the leadership in the Blood Pressure Monitors and Nebulizers segments in the domestic market. The Company is the front runner in country's fight against COVID by timely launching of various products like Non-Contact Thermometers, Oximeters in the Indian market. Dr. Morepen brand in addition has also launched range of OTC products for COVID Care. We hope the things will turn out positive in the coming few quarters for all of us and we say good bye to COVID.

Dear members, now coming back to the business being transacted through this meeting, the relevant information relating to pricing of warrants, its conversion into Equity Shares, pre and post shareholding pattern has already been given in the notice convening this meeting, which has already been e-mailed to all shareholders, is taken as read.

With this, I hand over proceedings to the Company Secretary to proceed further action. Thank you Vipul, over to you.

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 availed the service of e-voting system of National Securities Depository Limited for facilitating voting through electronic means to its members. The Company provided remote e-voting facility to all the person who were members as on 29th October 2020, being the cutoff date, for vote on resolution as set out in the notice of EGM. Members attending the EGM today, who had not casted their vote by remote e-voting during Monday, 2nd November, 2020 to Wednesday 4th November, 2020, are entitled to exercise their right to vote by e-voting at this meeting.

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

The results will be declared on or before 7th November, 2020 after considering the e-voting by members participating in this EGM 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 and NSDL. As the meeting is convened through VC today, resolution has 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, you may go ahead with the questions/ answer session.

Mr. Vipul Kumar Srivastava: Thank you Sir! now I call the name of the person who have registered himself as a speaker. They are requested to turn on their video when you are projected on the broadcast screen, unmute yourself, and proceed to ask the question. Please mention your name, folio number and the location from where you are joining.

Now, I request to Mr. Jitendra Gupta, being a registered speaker, to unmute himself and proceed with your question. I request to the Moderator please connect with Mr. Jitendra Gupta.

Jitendra Gupta: Hi, hello am I audible?

Mr. Vipul Kumar Srivastava: Yes, Jitendra, you are audible.

Mr. Jitendra Gupta: Yeah, Ok great.

Mr. Vipul Kumar Srivastava: Good Morning to all. Myself Jitendra Gupta, my PAN is ALPJ6416H.

Moderator: Sir, please open your video.

Mr. Jitendra Gupta: It think it is open, Yeah Hi.

Mr. Vipul Kumar Srivastava: Now you are visible, yes, please proceed with your question.

Mr. Jitendra Gupta: Myself Jitendra Gupta, my PAN is ALPJ6416H, and my client ID is AK5393 DPID is 1208160012537512. I am holding the shares of the Company before I ask my question I would just like to congratulate the management of the Company to providing over 300 % results, 300% returns on the shares since its march lows amid COVID -19 while pursuant to thanks and convey my gratitude to the management and after this I want to know that what would be the financial impact of this warrant issue of the Company and following question would be what would be the exact proceeds of the issue and how that will be utilized. You can throw lights on this.

Mr. Vipul Kumar Srivastava: We have another question coming from next shareholder Mr. Manish Goyal. I request to the moderator to please connect with Mr. Manish Goyal. (no response for new minutes) Is Manish is joining to us?

Mr. Manish Goyal: Hello!

Mr. Vipul Kumar Srivastava: Yes Manish, you are audible to us. Tell us.

Mr. Manish Goyal: Hi, Good Morning, I would like to congratulate the management for the better good results. I have a one question if management can reply on this. My question is this that in the last GM the object clause has been altered and has been approved by the management. So, shall we expect some diversification on the business, first and how soon can we expect that. That is my question as of now.

Mr. Vipul Kumar Srivastava: Thank you Manish, your question will answered by our Chairman. With this we have don't have any other question from members. Therefore, I request to the Chairman, please take up the questions.

Mr. Sushil Suri: Good Morning to all of you again. Referring to the first question of Jitendra Gupta and I must appreciate that the kind of the feedback we are getting regarding good results and good market feedback which we had stated I would say that's all joint effort of the team. Coming especially to the question now financial impact of the warrants and what is the exact proceeds. So, as it is already is there in the part of the notice that the total proceeds of the warrants would be Rs. 421 Crores for a period of 18 months out of which as per the mandatory requirement of the stock exchanges and Companies Act, 25% has to be brought in upfront which would be at the time of allotment within 15 days and rest of the money can be flow in within 18 months. So, the timing of the money coming in is matched with the project execution, since, the major amount being utilized for capital expenditure and increase working capital requirement and of course to some extent for settlement with some pending preference capital. So, as and when the money would be required it would be pumped in depending upon the project requirement but certainly 25% of the money comes upfront.

And coming specifically to the impact, the impact certainly would be that in equity money there is no interest burden and Company is already debt free Company. So, it will directly add to the cash flows and cash surplus and certainly would pump up the revenue stream with increased working capital in hand. Hope this answers your question.

Specifically coming to the 2nd question from Mr. Manish Goyal. I'm very happy to know

that. Thank you, Manish, that you are tracking each and every minutes and each and every resolution by the Company has passed. Thank you for that. So, coming to the question of diversification. So, basically the diversification and the change of the object clause was to broaden the objects of the Company, with the changing market scenario. Because we are only a pharma Company, but now we have expanded it little to make a more of a healthcare Company. With change in the market from whether it is online or over the counter or hospital, and COVID has told that health is more important than just medicine-medicine, it just an expansion and referring specifically to whether we are diversifying. As on today, I would say we are not diversified. We'd like to stay in a healthcare segment only. Whether it is, medicines or medicine delivery or maintenance surveys, or maybe Hospitals, which is all related to the healthcare only, so, but whenever we have any news, we certainly come back. So, is there any other question? Thank you, Manish, for that and thank you Jitendra. I would like to thank all the members for asking all insightful questions on this virtual EGM. Over to Company secretary.

Mr. Vipul Kumar Srivastava: Thank you Sir, we are concluding question answer session here and we have received few more request but their details were not sufficient to take up at this meeting. The members attending the EGM today, who have not casted their vote by remote e-voting may cast their vote on the e-voting platform now. You will be given additional 15 minutes' time for the e-voting. I once again thank you all of you for the participating in this EGM. Over to the Chairman.

Mr. Sushil Suri: I now declare the proceedings of the Extra-Ordinary General Meeting as completed. As mentioned by Company Secretary, the e-voting facility will continue for another 15 minutes after the meeting.

On behalf of the Board of Directors, management of Morepen, I convey sincere thanks to all the Members attending and participating this meeting. Thank you very much, please stay safe, healthy and safe, take care of yourself. Thank you very much. And thank you for all the board members by joining online. Thank you everybody, have a good day!
