

TRANSCRIPT

EXTRA-ORDINARY GENERAL MEETING OF MOREPEN LABORATORIES LIMITED HELD ON SATURDAY, 5TH MARCH, 2022 at 04.00 P.M. THROUGH VIDEO CONFERENCING AND OTHER AUDIO VIDEO VISUAL MEANS

Mr. Vipul Kumar Srivastava: Good afternoon, ladies and gentlemen. I, Vipul Kumar Srivastava, Company Secretary of Morepen Laboratories Limited, welcome all the Directors, Shareholders and other participants in this Extra-Ordinary General Meeting of Morepen Laboratories Limited, which is being held through video conferencing mode.

Members, the Ministry of Corporate Affairs has permitted Companies to hold the General Meeting through Video Conferencing or Other Audio-Visual Mode on account of prevention from COVID-19 virus. Accordingly, your Company is holding this meeting through Video Conferencing.

Please take note that the proceeding of this meeting is being recorded and the transcript of the same shall be uploaded on the website of the Company. Facility of joining the EGM is being made available on first come first serve basis. All members who have joined this meeting are by default placed on mute mode to avoid any disturbance from background and to ensure smooth, seamless conduct of this meeting.

Now, I would like to introduce the members of the Board and other dignitaries, who are joining us today through video conferencing.

Starting from Mr. Sushil Suri, Chairman and Managing Director of the company, being the chairman of the meeting as per the Articles of Association of the Company joining this meeting from Gurugram.

Mr. Sushil Suri: Good afternoon, I'm Sushil Suri, Thank you. (Greeted with folded hand).

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

Mr. Manoj Joshi: (Greeted with folded hand).

Mr. Vipul Kumar Srivastava: Mr. Sukhcharan Singh, an Independent Director attending this meeting from Gurugram.

Mr. Sukhcharan Singh: (Greeted with folded hand).

Mr. Vipul Kumar Srivastava: Mr. Bhupender Raj Wadhwa, an Independent Director attending this meeting from Gurugram.

Mr. Bhupender Raj Wadhwa: (Greeted with folded hand).

Mr. Vipul Kumar Srivastava: Mrs. (Dr.) Savita, an Independent Director, attending this meeting from Delhi.

Mrs. Dr. Savita: Good afternoon!

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

Mr. Sanjay Suri: Good afternoon everyone (Greeted with folded hand).

Mr. Vipul Kumar Srivastava: Further, Mr. Praveen Kumar Dutt, an Independent Director, Mrs. Anju Suri, a Non-Executive Director, and Mr. Arun Kumar Sinha, Whole-Time Directors of the Company, are not attending this meeting due to some of their pre-occupations.

In addition, we have with us **Mr. Ajay Kumar Sharma**, Chief Financial Officer of the Company.

Mr. Ajay Kumar Sharma: Good afternoon, everybody.

Mr. Vipul Kumar Srivastava: Mr. Satinder Goyal, Partner of M/s. Satinder Goyal & Co., Statutory Auditors and Mr. Praveen Dua, Proprietor of M/s. PD & Associates, Secretarial Auditor and also Scrutinizer for this EGM.

As, I am seeing the requisite quorum is present, now, I hand over the proceedings to Mr. Sushil Suri, Chairman & Managing Director of the Company.

Thank you, and over to you Sir.

Mr. Sushil Suri: Good afternoon, everyone. I formally welcome you all to the Extra-Ordinary General Meeting of the Company.

I would like to thank all the Shareholders, Directors, and all other participants for joining this EGM through Video Conference. We hope the COVID is over and hopefully everything is well and you & your family members are safe and in good health. Since the requisite quorum is present, I call the meeting to order.

Dear members, as you would appreciate that due to prolonged COVID situation, EGM is being held through video conferencing mode. This meeting is conducted in compliance with various circulars issued by the SEBI and of course Ministry of Corporate Affairs from time to time. The Company has taken requisite steps to enable to participate to vote on items being considered in the EGM.

Now, since all the members are joining the meeting through Video Conferencing mode, the facility to appoint proxy is not available in this EGM.

The Notice of Extra-Ordinary General Meeting along-with corrigendum to said notice, has already been circulated to all the members and available on the websites of Company and Stock Exchanges. Therefore, with your permission, I take the Notice of EGM as read. Now, with may I request Company Secretary to please give details of Agenda items and voting processes.

Mr. Vipul Kumar Srivastava: Yes, thank you so much Sir.

Dear Shareholders, in terms of Companies Act, 2013 and the Listing Regulations, the Company had provided remote e-voting facility through the system of NSDL to the shareholders. The remote e-voting period commenced on 1st March 2022 at 9:00 am and ended at 5:00 pm on 4th March 2022. Such members, who have not already casted their vote through remote e-voting, can cast their vote now during this meeting through e-voting facility by visiting the NSDL voting page. The voting is opened and shall remain opened till 15 minutes after the conclusion of this EGM.

Mr. Praveen Dua, Company Secretary in Practice, being Scrutinizer, present in the meeting and scrutinize the vote cast through remote e-voting and voting at this EGM. Since the meeting is being

conducted through Video Conferencing and the resolutions stated in the Notice of EGM are already put to vote through remote e-voting, there will be no proposing and seconding of the resolution.

The Scrutinizer shall immediately after the conclusion of this meeting, unblock the votes cast through remote e-voting and voting during EGM and make a consolidated Scrutinizer's Report of total votes cast in favour or against, if any. The results of the voting shall be declared within 48 hours of the conclusion of this EGM. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and the website of Stock Exchanges as well and NSDL

In the Notice of this EGM, comprising one resolution, being a special business, has been proposed for the approval by the members, i.e. **'variation of rights of the existing holders of Optionally Convertible Preference Shares (i.e., OCPS) and Cumulative Redeemable Preference Shares (i.e., CRPS), from existing OCPS and CRPS into Compulsorily Convertible Preference Shares'**

The resolution has been proposed to be passed as a 'Special Resolution' and with the permission of the chairman, we will begin with question-answer session related to proposed agenda item. Sir, may I proceed with?

Mr. Sushil Suri: yes, Vipul, you please proceed, I would like to answer all questions in one go may be, we can, you can start, and we can take notes.

Mr. Vipul Kumar Srivastava: Right Sir! only such shareholders who have sent their queries in advance or have registered for speaking at the meeting as 'Speaker' in the manner provided in the Notice of the EGM shall be eligible to raise their query and speak at the meeting. To start speaking, the shareholders are requested to switch on their video mode. If the shareholder is not able to join through video for any reason that member can join through the audio mode as well.

The shareholders are advised to use headphone for clear audio and switch off other background applications, if any. If there is connectivity issue for any speaker shareholder end, we will request to next speaker shareholder to speak. Once the connectivity improves, we will call again the registered speaker shareholder otherwise I will read the query, on their behalf. The queries will be addressed by the Chairman, and we request to speaker to kindly limit their speech up-to maximum 3 minutes only. We have received 8 requests from the shareholders for speaking at this meeting, out of these only two are submitted their details in the prescribed manner, as the manner provided in the notice of this EGM.

I request to first speaker Mr. S Senthil, being a registered speaker to unmute himself and open his video and to proceed with his question. Moderator, please allow him to speak.

Moderator: Sir, Mr. Senthil has not joined the meeting.

Mr. Vipul Kumar Srivastava: Ok, as of now we are seeing that Mr. Santhil is not in the meeting. So, I request you to the second speaker Mr. Lokesh Gupta, I request to Moderator, please check is Mr. Lokesh Gupta in the meeting?

Mr. Lokesh Gupta: हेलो, सर आप मुझे सुन पा रहे है.

Mr. Vipul Kumar Srivastava: Yes, Yes Mr. Lokesh, we can hear you.

Mr. Lokesh Gupta: मैं लोकेश गुप्ता, दिल्ली से, चेयरमैन सर आपका और पूरे बोर्ड मेंबर्स का स्वागत करता हूँ। सर, हमारी ऐजीम हुई थी उसमे भी मैं आपसे जुड़ा था सर, और आपने चेयरमैन स्पीच मै आपने बताया था

कंपनी के आउटलुक के बारे में, सेक्टर के आउटलुक के बारे में। सर, वो कोविड का टाइम चल रहा था और हमारी कंपनी मेडिकल डिवाइस में काम करती है सर, उस समय मेडिकल डिवाइस की कुछ डिमांड थी काफी, क्या इस समय कोविड का पैनिंग कम हुआ है, उसका प्रभाव हमारे सेक्टर पर पड़ा है क्या? और आने वाले करंट फाइनेंसियल ईयर और नेक्स्ट फाइनेंसियल ईयर के लिए क्या हम कुछ एक्सपेंशन कर रहे हैं? सर, एक छोटी सी रिक्वेस्ट और है, ये अच्छा प्लेटफॉर्म मिला है, जिसमें दिल्ली से बैठे मीटिंग ज्वाइन कर रहे हैं, लेकिन इस प्लेटफॉर्म को कुछ अप्रैसिट करने के लिए शेयरहोल्डर्स को जिससे हम सब जिन लोगो ने इस मीटिंग में पार्टिसिपेट किया है उन लोगो के लिए ये जो मेडिकल डिवाइस है उसकी बहुत ज्यादा ज़रूरत आज कल सब फैमिलीज़ को ज़रूरत हो गयी है, तो क्या हम कुछ डिस्काउंट ऐसा कुछ कर पा रहे हैं, शेयरहोल्डर्स के लिए जो मीटिंग में जुड़े हैं। कुछ ऐसा कर पाए तो बहुत अच्छा होगा और भविष्य में भी हम आपसे इसी तरह जुड़े रहेंगे और कंपनी अच्छा करेगी आपके लीडरशिप में और एक हेल्थी डिविडेंड भी हमें मिलेगा। इसी आशा के साथ जो कंपनी सेक्रेटरी, जिन्होंने मुझे जुड़ने का अवसर दिया, विपुलजी को, उनको भी मे बहुत बहुत धन्यवाद बोलूंगा सर। थैंक यू सर।

Mr. Vipul Kumar Srivastava: Thank you Mr. Lokesh and as Mr. S Senthil not in the meeting, so I just read his question so our chairman can address his query as well.

- A) What is the benefit of allotment or in case having as a loan what could be the extra cost for the company? And, how much the PAT and PBT margin will get impacted if we paid the interest portion? And the second part of the question is:
- B) Invariably how majorly all the banks coming to the list, So, is that all the loans planned in such a way to manage liquidity, Capex purpose or Working capital purpose, and why not right issue planned for additional capital or not forecasted for the funds requirements and what is the basis of chosen the transaction and other then pure short term and long-term loans how much percentage compared to the conversion of shares category?
- C) And the last part of his question is - the banker gaining the transactions or company gaining the transactions or win-win situation in terms of financial figures and how much?

This is the question of asked by Mr. S Senthil. And apart from this, we don't have any other questions. I request you to the Chairman to please take-up the questions.

Mr. Sushil Suri: Thank you, Vipul. I have written of the name of people and their questions. I think the first question is very interesting, and since this is more of our involvement of the financial term, I request to Mr. Ajay Sharma ji to please take it up. Ajay Sharma ji is our CFO. Ajayji please!

Mr. Ajay Sharma: Thank you Mr. Chairman, dear shareholder, you know the company has been growing for last many years. We have done the growth of CAGR of around 25% for last 4 years and we expect this growth to continue. This growth has been made possible by way of reinvestment of our surplus back into the business because we are not having any institutional finance facility, so we are, whatever we are earning, we are putting back into the system, so by way of issuing equity shares to the OCPS holder will be able to save and conserve the cash with the company, which is to be used to grow the business of Company. In this way, will be able to really give back to shareholders ultimately whatever company earning it is for the benefit of the shareholders. As far as the loan is concerned, if we take any loan then we have to service interest thereon that then cash outflow then you repay the loan so, end of day it affects your working

capital cycle your capex expansion which we are planning for a while. So, next one or two year, we want to expand on capital capex portion as well as expand our business. So, this is how we want to really conserves our money. As far as, how this is come about in the past, we have taken the loans to really built capex but somehow because of certain adverse business scenario the servicing could not be done, now this is the time that really be service our banks, and the whole thing is that our pharmaceutical sector has quite potential to grow. So, whatever resources we have we are employing back to the system so this is the benefit to the shareholders and this basically would be win win situation to all the stakeholders, whether it is banks, existing shareholders and our business associates. I think keeping all into the view so we thought this is the best way forward, wherein interest of all the stakeholders will be best served and everybody will be benefited by way of issuance of the equity to the OCPS holders and CRPS holders. I believe we have answered your question. Thank you so much.

Mr. Sushil Suri: So, thank you Mr. Senthil, where you are, we will get the answer on the website. I think, I am coming to the second question of Lokesh Gupta ji from Delhi. Lokesh ji is very clear that the Pharma sector is growing pretty well in last two or three years for boom of pharma sector not that because of COVID alone but in general health and health awareness is increasing, so more & more people are worried and which I would say right thing, one should be cautious about health and more and more people are cautious about their health, and that is where this OTC division and diagnostic division are getting lot of traction other than API which is global business which is also growing very pretty fast. So in the medical device business, people have starting using medical devices very regularly. our sale of BP monitors and Gluco monitors has grown up exponentially.

So, certainly there was an impact of Covid, but Covid doesn't mean that we have Covid products but Covid has just triggered the growth which could have taken 4-5 years, may be it has happened in one year or two years, so the growth factor is there people usability has increase, more & more people are now using BP and Gluco meters at home and the numbers are going up and going forward, we are looking for major expansions in both API also and medical device also. So being a listed company, we cannot give you the exact numbers and plans but we certainly come back, whenever there earning capital plans or other things but like you said that as a company and as a customer friendly we are always happy to share our feelings and thoughts of the customer. We are available online. We are available to the distributors, and in case there are, any say asking for the customers we even give free replacements, so that more & more people should be able to check their health while their still sitting. So, we really appreciate your thoughts for the division and thank you for your positive feedback of the company. So, we certainly have the great vision and going forward, we look forward to the brighter future. Thank you very much, any other question Vipul.

Mr. Vipul Kumar Srivastava: Thank you, Sir, apart from registered shareholders, I would like to check from the moderator whether we have received any other question right now?

Moderator: Sir, one person has request to raise his hand.

Mr. Vipul Kumar Srivastava: Can you check with him, give me the mic.

Moderator: Yes, Mr. Ankur.

Mr. Ankur: नमस्कार सर, मेरी आवाज़ आ रही है आपको?

Mr. Vipul Kumar Srivastava: Yes, Mr. Ankur, we can hear you.

Mr. Ankur: सर, मैं बस यही जानना चाहता हूँ की आप जो भी कम्युनिकेशन के नंबर देते हो BSE साइट पर वो वर्क क्यों नहीं करते सर ।

Mr. Vipul Kumar Srivastava: We will check, generally we don't have it in this kind of question on this EGM. So, this is, I think purely commercial and operational things. We check the operation team and update the number. If you face any problem, I will, say a sorry to you.

So, apart from this, we don't have any questions as of now.

So, I request the Chairman, to please proceed further.

Sushil Suri: Okay good. So, now I would like to authorize Company Secretary to conduct the voting process. As stated earlier by him that the e-voting shall remain open till 15 minutes after the conclusion of this EGM and the results will be declared latest by 7th March.

So, in the end, I thank all the shareholders and Directors who joined the meeting through video conferencing and for their cooperation in smooth conduct of the EGM. With your consent, we can now conclude the meeting and thank you everybody.

Please take care of yourself. It's easy to say that Covid is going away, but it's not going away. Please take care. Thank you.

Mr. Vipul Kumar Srivastava: Dear members, you can work till 15 minutes from now. If you are not voted earlier, thank you so much for joining today. Thank you so much.

Ajay Sharma: Thank you so much.

Sushil Suri: Greeted with folded hand. Namaskar, thank you.