

**\*\*Transcript\*\***

39<sup>th</sup> Annual General Meeting of Morepen Laboratories Limited

Saturday, 28<sup>th</sup> September 2024 at 1.00 p.m.

Through video conferencing/ other audio visual mode

**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 39<sup>th</sup> annual general meeting of Morepen Laboratories Limited. Members, due to preventive measures, the Ministry of Corporate affairs has permitted the companies to hold the annual general meetings through video conferencing or other audio visual means. Accordingly, this annual limiting is being conducted through video conferencing. The facility of joining this AGM is being made available on first come, first serve basis. All the members who have joined this meeting are, by default, placed on mute mode to avoid any disturbance from the background and to ensure smooth seamless conduct of the meeting. The company has taken requisite steps to enable the members to participate and to vote on the items being considered in this AGM.

Since all the Members are eligible to join this AGM through video conferencing, therefore, facility to appoint proxy and to attend and to cast the vote is not available for this AGM. The registered office of the company is situated in Himachal Pradesh shall be deemed the venue for this AGM and the proceedings of the AGM shall be deemed to be made there at. During the meeting, the Register of Directors & KMPs and their shareholdings and the Register of contract or arrangements if the directors are interested, and other documents refer to the notice of AGM are open for the inspection electronically. Members may inspect the same.

Please note that the proceedings of this meeting is being recorded and the transcript of the same shall be uploaded on the website of the company. Now, I would like to introduce the members of the Board and the other dignitaries who are joining us today through video conferencing. Coming up with Mr. Sushil Suri, Chairman and Managing Director of the Company being the Chairman of this AGM as per the Articles of Association of the Company is joining this meeting from Gurugram.

**Mr. Sushil Suri:** (Greeted with folding hand) Good afternoon, everybody. Good afternoon.

**Mr. Vipul Kumar Srivastava:** Thank you, Sir. Mr. Sanjay Suri, Whole Time Director, is attending this meeting from Parwanoo, Himachal Pradesh.

**Mr. Sanjay Suri:** (Greeted with folding hand) Good afternoon, all the shareholders.

**Mr. Vipul Kumar Srivastava:** Welcome, Sir. Mr. Praveen Kumar Dutt, an Independent Director and Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee, is attending this meeting from Gurugram.

**Mr. Praveen Kumar Dutt:** (Greeted with folding hand) Good afternoon, everyone. Welcome to the meeting.

**Mr. Vipul Kumar Srivastava:** Welcome, Sir. Doctor Savita, an Independent Director, is attending this meeting from Delhi.

**Doctor Savita:** Good afternoon, everyone.

**Mr. Vipul Kumar Srivastava:** Welcome, Madam. Mr. Ranjit Khattar, Independent Director, is attending this meeting from Delhi.

**Mr. Ranjit Khattar:** Good afternoon, everybody. Welcome to the meeting.

**Mr. Vipul Kumar Srivastava:** Welcome, Sir. Mr. Sharad Jain, an Independent Director, is attending this meeting from Delhi.

**Mr. Sharad Jain:** Good afternoon, everyone, and all the best.

**Mr. Vipul Kumar Srivastava:** Thank you both Mr. Ranjit Khattar and Mr. Sharad Jain, have recently joined the board and attending the AGM for the first time. Thank you and welcome to both Directors. We have also with us Mr. Ajay Kumar Sharma, Chief Financial Officer.

**Mr. Ajay Kumar Sharma:** Good afternoon, everybody.

**Mr. Vipul Kumar Srivastava:** Welcome, Sir. Mr. S. P. Babuta, partner on M/s. S. P. Babuta and Associates, Statutory Auditors.

**Mr. S. P. Babuta:** Good afternoon!

**Mr. Vipul Kumar Srivastava:** Welcome, Sir. Mr. Praveen Dua, proprietor of M/s. P and Associates, Secretarial Auditors and the Scrutinizer for this ATM.

**Mr. Praveen Dua:** Good afternoon.

**Mr. Vipul Kumar Srivastava:** As I'm seeing the requisite quorum is present. Now, I hand over the proceedings to Mr. Sushil Suri, Chairman and Managing Director of the Company. Thank you and over to you, Sir.

**Mr. Sushil Suri:** Thank you. Good afternoon all the Members, I formally welcome you all to the 39<sup>th</sup> Annual General Meeting of the company. First of all, I would like to express my sincere gratitude to the former Directors, Mr. Manoj Joshi Ji, Mr. Sukhcharan Singhji and Mr. B R Wadhwaji, who have completed their terms of office in this year. Mr. Joshi was an important sounding board for us since 1992 pre IPO time and Mr. Wadhwa and Mr. Singh had been associated with us since 2007. Their contribution to the board is highly appreciated. Thank you very much Sir. Thank you for all the inputs.

It's now time for me to warmly welcome the two new board members Mr. Ranjit Khattar and Mr. Sharad Jain, who are attending this AGM for the first time, along with all the board members. So, it's an opportunity to meet all the shareholders. I would like to take an opportunity to thank all the shareholders for their invaluable support, auditors and other participant joining this AGM through the video conferencing. And since the requisite forum is present, I call the meeting to order. So, we can start?

**Mr. Vipul Kumar Srivastava:** Yeah, please.

**Mr. Sushil Suri:** Dear Members, the notice of the AGM along with the annual report comprising Financial Statements, Auditors' reports, Directors' reports and their annexures have been circulated on 4<sup>th</sup> September 2024 through email and physical copies have been sent to the members who had requested for the same. The annual report has been placed on the website and of the Company, Stock Exchanges and NSDL for easy access. Please note that Statutory Auditors and Secretarial Auditors, both of the company have expressed unqualified opinion in their audit reports for the financial year 2024. Therefore, with your permission, shareholders, I take the said reports along with the notice of the AGM as read.

Dear shareholders, with immense pride and a deep sense of gratitude, I'm here before you today to present the performance of the company and give you some colour on the opportunities that are unfold. Friends, today, when we when the company has entered 40<sup>th</sup> year of Growth, I would like to share that it's a beautiful journey which has just started very small in a small grocery store in Parwanoo with just ₹40,000 in the pocket back in 19884 by Late Mr. KB Suri, my elder brother. Who did not live long enough to see his dreams unfold.

Morepen is a story of pure determination of will to do, a will to achieve, and I will to lead. KB as we usually addressed him, never had any limitation on his thoughts and plans. My dad sometimes used to laugh at him on his big dreams, but KB dared to plunge into the game, took risks, and virtually created an empire from scratch. I can recall his high energy levels along with the long term vision and his far sightedness in every action. And friends, not to miss his humility, simplicity, compassion, and empathy for the people around him. Even for a random person who just walked in the office. Unfortunately, friends, he left us at the young age of 38 years and you know, October 2000 it's over 25 years now, but the vision is still guiding. His vision is still guiding us.

When I took over after his sudden demise, I was only 36 years, and it was not easy to step into the big shoes. With everything scrambled around, followed by a glib big global market crash post year 2000. Financial challenges were mounting, blocking the company's growth plans. The share price of Morepen, which was at thousands, market darling at one time. The share price stretching up to ₹1200 came down to barely ₹2, of course, it was after split of one into five and we were finding it difficult to sustain the high growth rate.

But friends, it was inside and the drive to come back with flying colors that continue to fulfil our dreams, and we did not let go a single day. We kept all the burner on and now, with God's grace and support of all the stakeholders, customers, vendors, and most importantly, the dedicated and sincere team, I'm proud to share with you with all the humility that we have become over a five hundred million dollar company and fast inching to our next milestone, a billion dollar company with all the market cap.

With all the lessons we have learned, we are fully geared for the next phase of growth, what we call Morepen 2.0. To put it simply today we can say that not only we had a smooth sailing over all the challenging times, but also have built a place for ourselves in the industry, both in India and the global markets for our products, especially in the heart of customers and the consumers. So, coming specifically to the business.

Financially, the year 2024 had marked excellent growth and it's a testimony of our resilience, patience and vision. Of course, it's a big comeback while we celebrate every little achievement, our focus remains firmly on the future, which is waiting for us with open arms. As you know friends, India is at the forefront of pharma and healthcare revolution and has proven its metal in the world to the world during the COVID time recently. Today, as the whole world is in a deep economic crisis and is struggling to maintain a balance and many parts of the world are disturbed due to geopolitical situations. India is standing tall with a growth story and domestic consumption market. Also, India is becoming a global hub for sourcing with high tech manufacturing from iPhone to jet plane and going up to chip manufacturing. This is amazing.

At Morepen, we are fully positioned and prepared to capitalize on new opportunities opening up in the pharma and consumer health space. Despite the headwinds from the supply chain disruption, regulatory challenges and inflationary pressures, we have continued to deliver growth both in revenue and operational excellence year after year, quarter on quarter. Now I'll give you the key highlights of the financial performance.

The annual revenue of ₹1700 crore for FY 2024 has registered at 20% growth journey and EBIDTA of 101% with ₹172 crore EBITDA for FY24. This is accentuating strong demand for our products, both in domestic and international markets. Profit before tax, the PBT has grown 143% i.e., ₹135 crores PBT and ₹56 crore as compared to FY 23. PAT, which is the profit after tax, increase by 150%, it's 2.5 times i.e., ₹97 crores from ₹39 crore in FY23 driven by cost optimization strategies and favorable product mix and the market mix also. Our earnings per share, which is the final ultimate, has jumped from 77 paise to ₹1.88, being one rupee and eighty eight paise, for the financial year 24, being a remarkable increase.

Now, coming specifically to the business particularly, I would say I'd like to start with the medical devices. Today, almost 25 years into medical devices. Let me tell you how it all started. It was the late 1990s, I remember, I really recall sitting with a global health report in my hand. The statistics were alarming friends, millions in the developing nations that's coming to preventable diseases simply because of the timely diagnosis is missing.

Access to the fast, accurate disease detection was a luxury which was available only to selected few which could afford the infrastructure to support was virtually non-existent. This dark reality hit me hard. In that moment, a vision became to crystallize. What if, if we could empower the individuals with their tools to manage their health in the comfort of their homes? What if we could put health in your hands, so you can test everything in the sitting comfort of your home? India, often referred as a diabetic capital of the world, has now over 100 billion potential diabetics, half of them do not know they are diabetic.

25 years ago, we recognize an opportunity to make a difference. We set out a bold mission to revolutionize the self-diagnosis in India and give people control of their health like never before. Health in your hands.

We imagine a future where every household has access to quality healthcare at their fingertips. Thanks to our goal. That's our goal with skyrocketing medical costs, we are relentlessly working to bring home health devices like Glucometer, BP monitors to every home, not only in India to the world. A few years ago, when the Glucometer was priced at ₹2000-₹3000 and

more, it was out of reach of our senior citizens. Today it's less than the cost of a cup of coffee. This transformation is not just about price, it's about excess, ability through constant innovation and economies of scale, we have made home devices affordable and within the reach of millions.

As we see the market exploding in the times to come and we are here for long, my friend, since entering into medical devices back in year 2001, Dr. Morepen has established itself as India's largest producer of Glucometers and Blood Pressure monitors. Medical devices have been our fastest growing sector within the Morepen family, with a CAGR of 28%, this is compounded annual growth rate, doubling the revenue at every 3 years, we started very small, but now we serve 12 million customers who use Dr. Morepen Glucometers having sold 1.5 billion strips. The figures that speak to the trust, the consumer place on us but I would like to add we have just scratched the surface.

This is only a tip of the iceberg as you say our backward integration gives us full control over the entire value chain, from mounting the bare PCBs with our highly sensitive, fully automatic robotic SMT machines, assuring high quality cost efficiency from start to finish. Our facility is in the Baddi, Himachal Pradesh, which adhere to the global standard like ISO 13485, it continues to expand with our successful QIP fundraise, we are doubling the glucometer production from 2.5 million to 5 million units annually and increasing the strip production from 500 million to 700 million strips per annum. This expansion is just a beginning, as I said, as we extend our footprint in the international market, we have started small markets like Nepal, Bhutan and Thailand going to Middle East, but I see a lot of opportunities coming from the western market also.

Multiple new initiatives by the Government of India, which are promoting production of the high tech medical devices in India, including PLI scheme, medical devices parks and new regulators, new regulations, they're all making India a net exporter, not an importer. There was a time we were a net importer; this aligns perfectly with Morepen's mission of make in India and reduce dependence on imports. Our special efforts of empowering the consumers with home devices is giving an extra layer of advantage to Dr. Morepen, having built a brand directly reaching to the consumers with fully oiled distribution system all over the country and full service, service centers running 24X7, gives us a cutting edge in that space front.

As I always say, we are not just building products, we are building an ecosystem of care with demand for medical devices rising both in India and globally, the opportunities are immense and we have just begun, it seems.

During the financial year 2024, ₹443 crore has been recorded as a revenue, which is a big jump of 35% from a base of last fiscal of ₹327 crores with a similar surge in the top line of Glucometers and BP monitors sales, which contribute almost 95% of the revenue. While we expand the domestic distribution network in East and Southern India, we are confident of continuing our growth at 20-25 to 27% annual rate. We're looking for a big upside in the revenue when we add capacities and backward integration of strips manufacturing in India with focus on US and European markets in the coming years for which the dialogues are already

with a large international chain store, we have already started that. So that's a brief about medical devices.

Now, I'll go to our core, which is our API, while the medical devices garners attention, our API business remains the bedrock of multipin and to call it a cash cow. For the longest time. We clocked ₹94 crore revenue. This year, 15% growth registered in the revenue in the pharma business with 90% of our API's revenue coming from 6 high value products. We have a market leader, market leaders in Loratadine, Desloratadine, Montelukast. With a market share over 50%, 50 to 70% market share in these 3 products and we rank among the top 4/ 3 to 4 would say a tolerance 13 facts Infinity and those were starting.

We have got 10 to 15% market share. We still see a lot of opportunities for growth in these products also. Our commitment to quality and customer satisfaction has fostered over 60% repeat business, friends from clients with the relationship exceeding 10. Yes, the API segment achieved significant milestones, including a notable 32% increase in exports to the highly regulated U.S. market and impressive 53% growth in the other continent. Our API expansion continues with the planned increase of manufacturing capacities from 400 KL to 600 KL by 25 - 26. And with the China plus one model, we are all well positioned ourselves as a trusted partner for the global outsourcing with people call it CDMO.

So our relentless focus on the quality and compliance recognized by the global regulatory bodies ensure that we maintain our leadership in this space. Furthermore, the company remains committed to expanding its global footprint and upholding its higher standard of production to meet the escalating international demand. The company continues to drive innovation, with 155 patents filed and 249 drug Masters submitted. Continuing its commitment on the innovation the company has introduced 43 new molecules, friends, showcasing its commitment to advancing pharmaceutical research and development. And lastly, because you were health, by the way, that's my favorite.

I love D to C, direct to consumer!. Dr. Morepen is not just a brand, it's a lifestyle. Our customer trust us to help them take control of their health. From head to toe, from Burnal with our legacy brand of 75 years to Whey Protein and to Omega supplement from pain to fever to multivitamin Dr. Morepen has become a household name for your day to day health needs. Dr. Morepen is a doctor at your home. In your hands basically. Over a period of time, the company has developed a robust distribution network with over 5100 distributors 3,28,000 retail touch points across India. The company has dedicated team for Medical Devices, RX and of course the OTC business supported by a nationwide sales force of 580 members including the managers in 580 people.

The formulation and OTC business has grown by 10% during the financial year 2024. We have reached 12 states distribution network for formulation and of course OTC is all over the country. The company has separate dedicated team reaching out to over 35,000 doctors in case of the RX. This all about the performance. Friends, but I'm seeing a bright future lined up here as we move into the next phase 'Morepen 2.0' is just not a strategic vision. It's our commitment to growth, innovation and excellence.

Our manufacturing capabilities coupled with innovation, innovation driven approach are creating new possibilities across every sector, particularly the medical devices where we have a unique positioning with strong brand positioning, cutting edge production facilities and a customer centric approach, we are poised for a sparkling. Future as we embark on this exciting journey, I would express my deep gratitude to all of you shareholders. Yes, our success is built on your trust and support, and together we are building a future. We are quality health care, accessible to everyone, not just about numbers or products about making a difference in your life, life of millions of people. The future is bright with your continual partnership worker will not only grow but thrive. Thank you. Thank you, friends.

Now I request the Company Secretary to please give the details of the voting process.

**Mr. Vipul Kumar Srivastava:** Thank you, Sir. Dear members, in terms of the Companies Act 2013 and the Listing Regulations, the company had provided remote voting facility with the help of NSDL to the members. The remote voting period had commenced from 25<sup>th</sup> September 2024 from morning 9 O'clock till 27<sup>th</sup> September 2024 evening 5 O'clock. Such members, who have not cast their vote through remote voting, can cast their vote during this meeting through e-voting facility by visiting the NSDL e-voting page. The e-voting platform is presently open and shall remain be opened till 15 minutes after the conclusion of this meeting.

Since, the meeting is being conducted through video conferencing and the resolution stated in the notice of AGM are already put to vote through e-voting, so there will be no proposing and seconding of the resolutions. Mr. Praveen Dua, Company Secretary in practice, being Scrutinizer present in the meeting to scrutinize the vote cast through remote e-voting and e-voting at this AGM. The Scrutinizer shall immediately after the conclusion of this meeting unblock the vote cast through remote voting and voting at this AGM and make a consolidated Scrutinizer Report of the total voted votes caused in favor or against, if any. The results of the voting shall be declared within 48 hours after the conclusion of this AGM and shall be placed on the website of the company and the website of the NSDL and Stock Exchanges.

The company has also provided the opportunity to the members to register themselves as the speakers and ask question, and exchange their thoughts, if any. In this regard, 13 members have sent their request to the register as a Speaker. Out of those, only 4 members have sent their details, including queries in advance to register themselves as a speaker in the manner prescribed in the notice of the AGM. The speaker shareholders are requested to turn on their video, close the background applications, use headphone for better connectivity and voice clarity. If such speaker shareholder will not be able to join through video, then he or she may join and ask this question through audio mode as well. In case there is a connectivity issue at speaker shareholders' end we will request the next speaker shareholder to speak once the connectivity improves or at the end of all speakers we will call again the speaker shareholder to speak otherwise I may read the query on their behalf that will be addressed by our chairman otherwise replied through email as well.

Further, I request speaker shareholders to kindly limit their speech up to 3 minutes maximum only. Before going forward, I would take the permission of chairman. Sir, should we go ahead?

**Mr. Sushil Suri:** Yes, please go ahead.

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

**Mr. Sushil Suri:** Is it possible that we take all the questions first and we reply together?

**Mr. Vipul Kumar Srivastava:** Of course, we'll do. In this regard, I'm requesting to the first speaker, Ms. Diksha Dayal, being the registered speaker to unmute herself and open her video to proceed with the question. Moderator, please allow her to speak.

**Moderator:** Ms. Diksha, please unmute yourself.

**Ms. Diksha:** Hi, good afternoon everyone. My name is Diksha Dayal and I'm a shareholder, joining from Delhi. I want to start by saying that the presentation given by our Chairman was very informative. Many of my questions were already addressed. However, I would like to ask the management about how the company plans to handle the increasing competition in the pharma industry. We are seeing a lot of new biotech firms entering the market and I'm curious about our strategies to stay ahead. Also, I'm interested in learning more about our plans for expanding into markets. There are some regions with great potentials for growth, but they have also very complex regulations. I'd like to hear how we plan to navigate those challenges. Finally, I'd like to express my sincere appreciation to the management and the Secretarial Team for giving me this opportunity to speak today. Thank you.

**Mr. Vipul Kumar Srivastava:** Thank you Ms. Diksha. Now I'm requesting the next speaker, Mr. Santosh Bhutani. Please unmute himself and allow your video to broadcast.

**Moderator:** Mr. Bhutani, please unmute yourself. Mr. Bhutani, please unmute yourself.

**Mr. Santosh Bhutani:** First of all, I would like to thank, big thanks to the CS team for accurate connections made well in time. All section has been covered in a very lucid and transformed manner. The Annual Report is very, very informative and thanks to the management and the team. Sir, I am extremely confident after listening our Chairman' speech, they are the leadership team will hit more significant milestone and to take the company to the next phase of growth. As you stated, 20% growth has been noticed during the financial year 23-24 and I' think almost question has been addressed by you in your speech. However, I have some general question which I want to know from you good self, that is number one. What are some of the challenges and opportunities that you foresee in the coming time? as we know, India is the biggest country, best opportunity in biggest population. The most important advantage we have is demographic dividend with a population of 144 crore and it's the one of the youngest nations with the medium age of 29 years, nearly 50% of the core population is below the age of 25. Sir, what is your future plan? What is your vision? Because we need to have a vision for 5 years, which will act as a guide for all action for the management that will take in the short and medium term and keep us on the right track.

We can benchmark with the best in this sector. As you rightly said, this is not a brand. This is a lifestyle. I agree with you, Chairman Sir, and I as a shareholder, I, feel and believe the management is far younger in its thinking, stronger in its commitment, and transparent in its working and more, more responsible and investor friendly. 3<sup>rd</sup> I wish the company all the best and hope to see a healthy growth in business and size of the company under the guidance of honorable Chairman, Sir.

**Mr. Vipul Kumar Srivastava:** Thank you, Mr. Butani.

**Mr. Santosh Butani:** May God fulfill all your wishes. May God fulfil all your wishes and keep you all happy...

**Mr. Vipul Kumar Srivastava:** Thank you. Thank you so much Mr. Butani. Now I'm requesting the next speaker. Mr. Omprakash Kejriwal. Please unmute himself and allow your video to broadcast and proceed with your question.

**Mr. Vipul Kumar Srivastava:** Mr. Omprakash Kejriwal!, Moderator please allows him to speak.

**Moderator:** Mr. Kejriwal, please unmute yourself.

Speaker 2

**Mr. Vipul Kumar Srivastava:** Is he available in the meeting?

**Mr. Omprakash Kejriwal:** Am I audible?

**Mr. Vipul Kumar Srivastava:** Yes. Yes, Sir. Please, Sir. Please proceed with your question. We are hearing you.

**Mr. Omprakash Kejriwal:** Good afternoon, Sir.

**Mr. Vipul Kumar Srivastava:** Good afternoon. Yes, Sir. Please go ahead.

**Mr. Omprakash Kejriwal:** Good afternoon everybody attending this AGM, myself Om Prakash Kejriwal, your equity shareholder from Kolkata. Thank you, Sirji, for providing me the platform to speak something before you. Thanks to our Secretarial Department for helping me, in registration as a speaker shareholder. Sir-ji this is my 3<sup>rd</sup> AGM only due to virtual, I'm your very old shareholder. So, if possible please follow this virtual AGM in next year also so that more and more investors from different parts of the world could join our AGM and express their views. Wow, what a performance. What a result, iske liye aapko aur sabhi board of Directors ko aur sabhi employees ko bahut bahut badhai, bahut bahut dhanyawaad, an Equity of ₹102 crore. Your revenue is ₹1537 crore in standalone account and EPS is ₹2.17 on face value of ₹2 compared to 0.92 paisa standalone account. In consolidated account, our EPS has increased to ₹1.88, from 0.77 paisa. But Sir, no dividend declared. Why so Sir? Sir-ji when you start to paying dividends, Sir-ji, you know, dividend is our bread and butter for long time investor like me and you have one question here with, our company has transferred the branded formulation, RX business to its 100% subsidy Morepen RX Limited on 22<sup>nd</sup> August 2023. My question is, Sir, what is the benefit to our company to transfer the business to its subsidiary? Only to get 70.8 Lakh shares of the subsidiary or any other benefit? Please share your views, Sir-ji our first quarter result that is June quarter of 24-25' result is also very good in both standalone account and as well as consolidated account and Sir-ji bahut bahut badhai for completing successfully QIP of ₹200 crore in August 2024 at the rate of ₹54.37. Is it the reason for decreasing our promoter holding from 38.22% to 35.65%? Sir-ji what is your expectation for the remaining 3 quarters? And will you pay dividend in the current financial year, Sir?

Sir-ji, I have 2 requests and suggestions. First to requests for CSR committee, Sir, please use some of CSR fund to provide drinking water nearby your business point, nearby your factory and nearby villages. Sir-ji, second request for CSR. Sir, please use some CSR fund for betterment of cancer patients because we know after Corona disease one or two members of each family is affected by the cancer disease. Second request, Sir, for early AGM Sir. Sir-ji we have our board meeting on 21<sup>st</sup> May 24 and today 28<sup>th</sup> September, Sir-ji, we are a very good company so please organize our AGM at an early date, Sir. This is a request, Sir, please do remember, the speakers' shareholders at the time of the festival in the same manner as you remember your friends and suppliers. At last sir-ji, please maintain your smile and be cheerful, we are always with you as a long time investor. Thank you. Thank you, Sir.

**Mr. Vipul Kumar Srivastava:** Thank you, Mr. Omprakash Kejriwal. Now I'm requesting the next speaker, Mr. Karmesh Kumar Aggarwal. Mr. Karmesh, please unmute himself and allow your video to broadcast and go ahead with your question.

**Moderator:** Mr. Karmesh, please unmute yourself.

**Mr. Karmesh Kumar Aggarwal:** Good afternoon everyone. Myself Karmesh Aggarwal from Delhi and I am also a shareholder of Morepen. First of all, thanks to the secretarial team for giving me this opportunity as a speaker shareholder and I wish to company's growth and success in future. And my question is can you provide an update on the company's revenue growth projections for the next financial year? What are the key drivers behind these projections and what percentage of revenue is currently being invested in research and development?, and how does the compare to industry standards, are there any new areas of focus in your R&D pipeline? And the second one is what strategies are being implemented to manage operating costs effectively while maintaining innovation and product quality? And, the last question is what is the future of the medical device businesses? Thank you.

**Mr. Vipul Kumar Srivastava:** Thank you, Mr. Karmesh. ..Sir, with this question, we are ending our questionnaire session. I request to take up the questions.

**Mr. Sushil Suri:** Good afternoon again. I would say it's not looking like a question answer session. It's more of an appreciation session. So, thank you everybody for giving so much nice words for the team and for the whole, I would say gang, which has been supported and, but I would say that this whole growth and opportunity was not possible without shareholder support. But on the right side with the right timing, right market and of course we had our share of pain and struggle in the past.

So, we have geared ourselves and we are here have for a long as is. Earlier so coming specifically, to questions, Diksha. Thank you very much for giving us nice words of appreciation. I think your question is more on the positioning of the company and what sort of challenges we may have and, of course, what regions we are covering and not covering. The positioning of the company diksha is clear that we are in the pharma space and within pharma. I would say we are directly started with B to B which is API but over last 25 years we have pivoted more towards the consumer by our brand called Dr. Morepen and within consumer. So again, it is products versus the devices, so now we have become a market leader for market medical devices which is home care devices. It's not about stand stands CT scan and this thing

we love customers, we love consumers. So, Dr. Morepen is a home care brand. It's a health in your hand. It empowers you to do everything and the comfort of your home.

That's I think the very well positioning now globally. In over 80 to 85 countries now we are positioned more as a B to B company since we do not have global distribution network. So as a B 2 B company, we have positioned more as a trusted supplier of bulk drugs APIs or they call it with highest standards of regulations with FDA approved facility and now from APIs we are already market leader for 67 products I shared we keep on adding new products every year. We have 43 molecules in pipeline so here we are inching towards a new possibility, a new expanding market which is a CDMO which is a contract drug manufacturing and research.

So basically, there are large companies overseas who are looking for India as a part, partner, of course. Earlier China was a good source, but now as we talked earlier, India is opening up and China is of course bit disturbed. So, everybody's looking at India as a big partner. So, we are expanding a little just trying to test the waters on the CDM also. This is the additional positioning what we have. So, if we broadly say at in India level or consumer level, we are home care and at a macro level where we have a bread and butter where we have been doing our B 2 B, we are a strong regulated player with internationally approved facilities that's first, I think second question was more important on the regions we have or we do not have, I would say globally we are present almost everywhere, whether in the US or Europe or I would say the Middle East, all market in India we have been very strong in the North and of course in the Western market, this Rajasthan, Maharashtra, to an extent and of course we still do not have much presence in the. East and we are still little weaker in the southern part of the country and of course Dr. Morepen has started more as a I would say Hindi speaking belt, but now it is growing there and if you know in medical devices we have taken Rahul Dravid as a brand ambassador, and he comes from South. That was one of the reasons that we are expanding. In the South. So, these are the regions in India. But globally speaking, we have covered almost everywhere but certainly some products sell better in say European market, some products sell better than U.S. market, some products go better for Japanese market, so, for every product there is a different story. So, I hope Diksha, this answers to your questions.

And of course you are saying challenges. I would say we have all the challenges which everybody else has got. The biggest challenge we see is that we have to be on the toes. We have to compete at every level in the market. We have to compete in the cost we have to compete in the technology. So, these days any anybody who is not. On the upfront to who is not fighting in the battlefield, so they will not be like, so the era of slow companies or the lousy companies is gone. So, I would say that's a challenge. And I would say that's business. That's what we are here for. So, we love doing that.

Can we go ahead now?

**Mr. Vipul Kumar Srivastava:** Yeah

**Mr. Sushil Suri:** Yes. The next question is from Santosh, Santosh Bhutani. He had a similar question. What opportunities and what challenges? So, I would say the opportunities are immense as you see. So, the first opportunity we are hitting in front of us is the large diabetic capital of the world. Soaring blood pressures stress, which is prompting us to buy more and

more medical devices every day. And how do we check these things in the comfort of the Home. And of course, there was a time that we had to go to the doctor every time pay ₹2000 - ₹3000 fee, maybe go half an hour going to the doctor, maybe wait for and our now the generation is getting smarter. Everybody wants to check BP and glucose at home in the comfort of home today. These are 2 main products, and slowly new things are being added as we speak during COVID time. We all know the thermometers, oximeters and of course oxygen concentrators, there were multiple things, so we are adding more and more home diagnostics.

Recently, we added a range of ortho products which are ortho support which are used primarily for your back support knee support. We have retained Kareena Kapoor as our brand ambassador for that, so, we are very comfortably adding more and more things so that you can feel comfortable in the comfort of your home. And I'm not saying that don't go to the doctor but before you go to the doctor, wherever support you need, it's available.

Second, Mr. Bhutani very nicely said, and that's the favorite thing that India is growing. India is a market and it's only yesterday we were discussing that the younger population of India that so called the 30s, 29 and 30's is double than the US total population. Our workforce is almost doubled in the US population so nobody can stop us to grow. So, we may have internal challenges, we may have global geopolitical situation ratings and rankings and all those complex numbers, which you're Moody 's and standard will give ratings, but the fact remains that we have the consumption, we have the manpower, we are a young nation, we are growing. Now it sounds nice, but what do I do with that? The only thing is, yes, we have all this, so we should exploit that, become the manufacturing hub for the world and provide the right technical products at a comfortable cost so that people can enjoy that. Second thing is that we are a consumption economy. We are changing the palette of the country, we are changing the colour of the economy, the kind of digitization which has happened in India, the whole world is looking at it.

And I'm not trying to say that our rupee has become the largest in the world, every fare we are increasing if we are doing that so we have to realign our models and our thinking processes so that we can match with that so our medical device business, when we have a bluetooth devices which are connected devices that you have wanted data So we are in the right direction on that and of course on the API front and Dr. Morepen' front again So we are more and more closer to the customer So Santosh-ji would like to highlight here that there was a time when the manufacturing was important, but of late, the consumer has become more and more important So we are trying to have more and more that relationship with the customer and we all have seen that the with the advent of these online things So everybody is trying to cut the trader out everybody's trying to cut the distributors out, not that they are not important.

The important thing is that companies want to talk directly to the customer, so they want to understand customers more and customer is also becoming more and more demanding So they have reviews, they have claim they have demand, they have questions So it's not a question that the Lady of the House is going and she will become a bag full of the grocery, know the young guys are doing they want new things, they want technology, they want I would say all the high tech things in place So we are rightly placed for that and

Of course, the second question you have is on the long term vision with 5 year or I would say we are working for a vision for 2030 or 2050 so we know that okay what we are doing, what are the long term plans and if you have noticed the last one year more particularly in the last 3 or 4 quarters we have pivoted more towards the consumer than the API because that is what is the need of the day so more and more consumer interaction So the pivoting is that okay? We need to talk and connect with the consumer as much as possible. We already have a beautiful brand and we're the only company in the country. We have a homegrown brand at Dr. Morepen is not an acquired brand we created from scratch. It was designed on a piece of paper. Okay, we want to create a brand in India, what do we do it? So, we have it now. It is behind us and now where do we take it from here is, I would say we have another 20 - 30 years to do that. That's Mr. Bhutani things.

Now specifically coming to Mr. Kejriwal. So, I think we love your presence meeting after meeting, So, this is your 3<sup>rd</sup> meeting. I would say don't count. You have to be there every time we love your presence and we love the information you share with us so very happy to see the nice word, but I would say congratulations not only to the team, but as you rightly said, to the shareholders also and to the speaking shareholders also so everybody is party to that so you have your one question is I think the long pending was divided, but I would say that, now, since we are sitting at a place that okay, we are end of the financial year 24 so in the 2025 we'll start with something whatever the board approves and whatever comes to you in the next stage year. But we will consider giving dividend from the coming from the I would say current fiscal now what are the timings, I don't know there's approval process. But at least we'll start nominal so that looking at the overall growth company now can afford and we are looking for a positive relationship with the dividend front.

Also second, interesting question you have on the this hiving off is that, if we hived off to the subsidiary, RX, what is the purpose here? Mr. Kejriwal-ji the important is not the RX subsidiary. The important thing is that as a parent company so we have sometimes conflict whether we are a API company or we are a formulation company and of course we have medical devices also sitting on it so what we're trying to clean is Morepen, a listed vehicle is our main core so that's our bread and butter and that's going to be so called a billion dollar company so we are trying to keep it clean, that's okay, this is hard core B to B company, this is a formulation company and separately the medical devices company, everything of course comes under the parent company only, everything is consolidated in the same balance sheet so there's no specific agenda for that and of course RX as a category, we know that there is within RX also there is a branded and there is generic also. So, we have many products which are directly bought by the consumers, so we are still evaluating how do we do that?

So, then your general question was, how/ why our promoter holding has decreased. I think you guessed it right. Promoters have never sold a single share in the last 25 years; 30 years and the holding percentage has come down because the base has become bigger because of the QIP, 5-6% QIP and everybody gets reduced, so we also got reduced.

Your interesting suggestion on CSR is fully appreciated. You talked about drinking water, and I think we are doing a lot in our neighborhood villages and just to share with you that Sanjay-ji is here on the call. Our director who handle the plant and CSR activity so he can add more

light if it's needed, but we are already doing so many things for the villages around, for the drinking water, for the road, for the schools and streetlights and education of the girl child. But I think this idea of sponsoring something on the cancer side also, we'll evaluate what is permitted within the norms of the CSR. I think that's a growing concern. We are working on a significant portion of our attention is going on the creating some value in business on the cancer side, but I think you have put up a very good point that we should support that through our CSR initiatives also, so I think that's a great and last question is from Karmesh.

I would say that all questions are mostly related what are the growth and growth' drivers, R&D and operating costs and the future of medical device? If I go one by one, growth drivers, we have discussed that the two main growth drivers, what we are seeing is one is the medical devices. Second, is Dr. Morepen as an OTC brand going all over the places, medical devices going all over the places from India to the world and of course the API products growing and then slowly we are inching toward the CDMO, which is still 2 to 3 years away. But in CDMO we have large companies like Devi's Lab and Sai Life Sciences and Syngene so all these big boys have what our special skills, which have yet to develop. But yes, we are on the way for that Dr. Morepen is an OTC, I don't need to explain much.

The second interesting question Karmesh, you have is on the research so pharma company, the base is research we all rely on research and research is, I would say, not a buzzword here. It's our necessity. We don't survive. We can't survive if we do not do research, so we are continuously investing on R&D of course like you said, how much percent. I would say the percentage is still negligible but the going forward we're going to increase it and in the coming time will come to you when we have some significant things coming up on the way so not going on the research side. Operating cost and efficiencies, how do we increase or how do we increase efficiencies here. Karmesh, we have specifically I would say two things, one of course is the technology part so we implement more and more technological things whether by way of automatic machines by either way of digitization or by way of I would say more and more systems, better controls. I would still say systems, controls, technology that's mechanical, but I think more important Karmesh what is there in increasing office, operating efficiencies, talent, so we are recruiting the best talent available in the market. We are scouting for the best trainings, the best people who can actually improve who have done this in life so we're not doing it only mechanically. We have a very senior consultant Doctor Ram Charan who is on our Advisory Board, so we have been constantly discussing with him and again focus comes back to talent, talent and talent. I think these are the two main factors, talent and technology which we are aggressively pursuing to reduce operating cost, increase revenues.

I mean there are million things, but we are doing every day and your last thing, I think we talked multiple times, what are the future of medical devices? I think I've heard enough, so we are going to be the market leaders. We are the market leaders and now the market is only for India. We're looking for major growth in the segment worldwide. I think this explains most of the question, but I would like to add that from whatever we are doing, we are all in the right place, opportunities that remains and of course we are looking for regular support from all of you and. Always there to rock. Vipul over to you.

**Mr. Vipul Kumar Srivastava:** Sir, as the question answer, the session has been completed. Dear Members, thank you so much for joining us today. We will address the queries which we have received in our chat box or on email as soon as possible and your voting is going on as of now So you can vote from now and if you've not voted earlier. Thank you so much for joining us today. Sir, we can conclude from here.

**Mr. Sushil Suri:** Thank you very much. Thank you, everybody, so I'm authorizing the company secretary to conduct the voting process. Now as stated earlier by him, the e-voting shall remain open for 15 minutes after the conclusion of this meeting and will the result be declared at the latest by 30<sup>th</sup> September?

**Mr. Vipul Kumar Srivastava:** Yeah.

**Mr. Sushil Suri:** So, I'm thankful to all the members, directors, auditors who have joined the meeting through video conferencing and their cooperation in the smooth conduct to the AGM with your consent, we now conclude the meeting. Thank you.

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

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