

TRANSCRIPT

40TH ANNUAL GENERAL MEETING OF MOREPEN LABORATORIES LIMITED

SATURDAY, 6TH SEPTEMBER 2025 AT 1 P.M. THROUGH VIDEO CONFERENCING

Mr. Vipul Kumar Srivastava : Good afternoon members. I, Vipul Kumar Srivastava, Company Secretary of Morepen Laboratories Limited welcome all the directors, shareholders and other participants in this 40th annual general meeting of Morepen Laboratories Limited. Members, pursuant to circular issued by the Ministry of Corporate Affairs and SEBI, the companies has permitted to hold the annual general meeting through video conferencing or other audio visual means. Accordingly, this annual general meeting is being conducted through video conferencing mode.

Even though such members are aware about the guidelines of joining the AGM through VC, I briefly take through the process. The facility of joining this AGM 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 the background and to ensure smooth and 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, the facility to appoint a proxy to attend and cost worth is not available for this AGM.

The registered office of the Company is situated in Himachal Pradesh, shall be the deemed venue for this AGM and the proceedings of the AGM shall be deemed to be made thereat. During the meeting, the Registrar of Directors, KMPs and their Shareholdings and Registrar of Contract or Arrangement in which directors are interested, and other documents refer to the notice of AGM are open for inspection electronically. Members may inspect the same.

Please 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.

Before going forward, I would like to introduce the members of the Board and other dignitaries who are joining us today through video conferencing mode, starting 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, joining this meeting from Gurugram.

Mr. Sushil Suri (Chairman & Managing Director) : (Greeted) Good morning and welcome all the shareholders.

- Mr. Vipul Kumar Srivastava (Company Secretary) : Thank you so much, Sir. Coming to the next, Mr. Sanjay Suri, Whole Time Director, is attending this meeting from Chandigarh.
- Mr. Sanjay Suri (Whole Time Director) : (Greeted) Welcome to the meeting.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Welcome, Sir and coming to next, 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.
- Mr. Praveen Kumar Dutt (Independent Director) : Good afternoon.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Thank you, Sir. Good afternoon. Moving to the next Dr. Savita, an Independent Director attending this meeting from Delhi.
- Mrs. (Dr.) Savita : Good afternoon.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Welcome to the meeting, Mr. Ranjit Khattar, an Independent Director is attending this meeting from Delhi.
- Mr. Ranjit Khattar (Independent Director) : Good afternoon.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Thank you so much, Sir. Welcome to the meeting and moving to the next. Mr. Sharad Jain, an Independent Director attending this meeting from Delhi.
- Mr. Sharad Jain (Independent Director) : Good afternoon, everyone.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Welcome Sir. Further, we have with us Mr. Ajay Kumar Sharma, Chief Financial Officer of the company and Mr. S. P. Babuta, partner of M/s. S P Babuta and Associate, Statutory Auditors of the company and Mr. Praveen Dua, proprietor of M/s. P D and Associates, Practicing Company Secretary, Secretarial Auditor and Scrutinizer for this AGM.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Welcome, Sir. Good afternoon. As I am seeing, the requisite quorum is present. Now. I hand over the proceeding to Mr. Sushil Suri, Chairman and Managing Director of the company. Thank you and over to you, Sir.
- Mr. Sushil Suri (Chairman & Managing Director) : Good afternoon, members. I formally welcome you all to the 40th Annual General Meeting of the company. And now I would like to take an opportunity to thank all the shareholders for this invaluable support, auditors and other participants for joining this AGM through video conferencing board. Since the requisite forum is present, I call the meeting to order. Can we go ahead?

Mr. Vipul Kumar Srivastava : Yeah, Yes, Sir, we can.
(Company Secretary)

Mr. Sushil Suri (Chairman & Managing Director) : Good, dear members, the notice of the AGM along with the Annual Report comprising of financial statements, auditor reports, directors reports have been circulated on 12th August 2025 through email and physical copies have been sent to those members who have requested for the same.

The Annual report has also been placed on the website of the company stock exchanges and NSDL for easy access. Please note that Statutory Auditors, Secretarial Auditor of the Company have expressed unqualified opinion in the audit report for the financial year 2025. Therefore, with your permission, the members, I take the said reports along with the notice as read.

And coming to the business, dear shareholders, it is with immense pride and deep sense of gratitude that I am before you today to present the Company's annual performance. But before we go to the annual performance, I must compliment that okay, today we are meeting on a very important and very auspicious day. I am sure that the whole town is banked with 'Ganpati Bappa Maurya' and today as we say goodbye to Ganpati for that blessings and we all wait for all the blessing whole of the year from him. So today, on this auspicious day, before we get into the business, we have two important things here to share with you, which is again, I would say more of blessings.

So, the first thing is that your company, with your permission, today we are putting to vote that company is declaring dividend after almost a gap of 23 years. So, it was in the financial year 2002 - 2003, we had declared dividend. So now we are back to you for approval of the dividend. Of course, it is 20 paisa per share. At a face value of ₹2, it is almost 10% dividend. It is a small beginning, small start, but there was a long pending demand from the shareholders and of course from all the quarters.

So, the company is improving, we are coming out of the red and the cash flows are better. So, we are declaring a dividend. So that is the first news and second news which you all might have read in the newspaper by now. I think the major news, what we all have noticed is the next generation reforms the GST, GST was implemented almost 8 years ago and we were all approaching various forums of the government to the right corridors that okay, there are some inverted structures and why the drugs have to be taxed, why the life has to be taxed because the fundamental right is that health particularly I would say and I am not talking what are the sectors presently. Health is a sector that you cannot pay for health. Health is not a privilege; health is your right. So, we cannot be taxed for living.

So, they always say that you should tax the luxury and not tax the lifeline. So, I think it is a big thing now today and these reforms which have come on day before yesterday. So, these reforms are not just notional reforms or rationalization of structures or simplification. These are landmark reforms, and I would say these are historical and this has set the pave for the coming years or the coming decades that how government is looking for to make India a healthy nation. So, because the moment we say we are paying tax on everything, you are paying tax on insurance, you are paying tax on your credit card, you are paying tax on almost everything but for God's sake health should not be taxed and particularly for the patients who are suffering with life threatening diseases like cancer. So, the government has removed all the GST on that. There is a 0% tax on that for any companies who are into that trade. And so, they would certainly have to pass on. And I think it's a good boom for the industry and for the patients. Most importantly. Second I think is that the government has removed one slab at all. Most of the medicines were 12% and some medical, medical devices and even some drugs were 18%.

So now the government has removed the 12% slab. All the medicines are at 5 percent slab. So that's good news for the industry, good news for the patients. So temporarily there may be some logistics issues, but as friends you would understand that within a month or so you will come back. Even when GST was implemented, there was a lot of hue and cry. But finally, it is discussed successful thing. So, what we see now is that with a 5% tax, there is the medicines are going to be cheaper, 5 to 7%. But more importantly, what I see is that like I already said, that health is not a privilege, health is not a luxury. It is your right. And many a time the poor guy who does not have a shelter on his head or maybe he is sleeping on the roadside, or he is just bearing, barely covering the household expenses, he cannot pay for the medicines.

So now at least he can pay for the medicines, he can take care of, take good care of his health. And that way I would say these reforms are not only the tax reforms, but these reforms are also like health care reforms. Government has given health to everybody and going with the visions of Modiji who want to make a healthy India. And of course, there has been Ayushman Bharat scheme, there have been Jan Aushadhi and there have been consistent efforts of the government that more and more people should have access to health.

I think we are right there, and we are meeting at the right time. And I think going specifically to details medical devices and other thing, we are in Glucometer, BP monitor we have we have market leaders at both places that has been reduced from 12% to 5% and small little thing thermometer was at 18 percent. It is a laughing point that thermometer was considered luxury. So now it is at least 5 percent. So, you can afford to buy a thermometer on the lighter side. I am saying so. But the whole point is that we can see that the government's positive attitude toward pharma industry and healthcare as a general as a whole is important.

And I have a strong belief that once you have a better compliance, once you have a better testing, whether it is Glucometers, BP monitors, Thermometers, once you have better compliance, better testing. So, the health of the people will start improving. In general, the cost of the medicine has is further going down. Hospitalization will reduce and more importantly, once hospitalization reduces, insurance also will be comfortable. So, we are looking for a healthy India and with increasing stress, with increasing I would say problems coming in life, we need to save some money for future also and keep investing. So, wishing all of you again happy healthy blessings from Ganpati today.

So, I think we should switch to business now. Can you switch on the presentation please? Yes. So, friends this year we are showing you the presentation live here. So, I think it is skipping too fast. Yeah, I think the presentation is skipping on its own. Yes. Can you see the presentation? I'm sure everybody can see, Yes. So dear friends, so we have 2 types of business. And as you already know that we are primarily into the pharma business whereas 73% of the business come from pharmaceuticals wherein we have medicines APIs, API is the bulk drugs we are in.

We have basically manufacture the basic source then we make the formulation tablet, capsules, syrups that we loosely and collectively called a pharma as formulations. So that business is around 73% of the company and another 27% is medical devices. This is the last year's numbers quarter on quarter, this thing keep varying sometime medical devices become higher, some become it goes 27%, 28%, 29%, sometime 30%. But over a longer period of time, medical devices is growing and pharma business of course the focus is to have more of medical device growth because the growth in medical device is higher.

The pharma business has been growing at a CAGR of between 15 to 18%. The medical device business has been growing at a CAGR between 25 to 30%. So, we have a good case here. So, these are the 2 out of 1830 crores, 27% is medical device. Now it comes specifically to the company's positioning, most of it you know, but for the new shareholders who have joined for the first time today, we are a 40 year old company and of course this is the 40th annual general meeting of the company and we are market leaders for 6 APIs which we are global leaders. We are exporting to 80 plus countries. 72% of the business of the company is exports. Exports mean hardcore good currency export, dollar exports and major currencies. We are market leaders for BP monitors and Gluco monitors. And of course, we have fully integrated, backward integration for both pharmaceuticals also and for medical devices also.

Our focus is on increasing the formulation business, which are a field force in the market. And of course, we have a strong portfolio of the consumer drugs that is broadly the positioning of the company. And

if we look at the overall picture of the consolidated revenue, the consolidated revenue of the company has increased 7.5%, 7.4% last year from 1700 crores to 1830 crores. And of course, during the last quarter it had increased almost 10%. So, this is on a consolidated basis, but we will discuss it more when we come to the individual businesses.

Coming specifically to the pharma business, which remains our core. So here again we have a friend interestingly split of 73 and 27. 73% of the pharma business is coming from API which is our core which we started back in 1984, and we have some 40 odd drugs here and that is 73% business. 23% of business has come from the formulation wherein we make tablet capsules; we manufacture, we visit the doctor. So that is the formulation business that is 1334 crores in the total business.

So, this business, pharma business *per-se* has grown by 5.8% and of course during the last quarter it grew 8.5% from 1251 to 1334. So here we have 6 products where we are market leaders. There are 4 products, 3 products where we are number one worldwide, Loratadine, Desloratadine, these are most antihistamine drugs, anti-allergic drugs and there is another drug respiratory anti-allergy Montelukast there also. We are number one here. We got 70 to 80% market share, 77 to I would say 67 to 81% market share in the global market output for exports out of India.

And there are 2 statins which are cluster reducing drugs at Atorvastatin and Rosuvastatin, where we are number 4. And there is another, another anti-allergy drug, Fexofenadine, where we are number 3. So broadly speaking these 6 drugs make around 88% of the pharmaceutical market of ours.

And then we have a new molecule where we have a range of diabetic products, Sitagliptin, Linagliptin, Dapagliflozin and Pagliflozin, Suxagliptin or 2 gliflozin. And there are cardiac drugs, I do not want to bore you with the names, but there are Apixaban and Oxaban and rock Rivaroxaban. We launched 2 new products last year, Ticagrelor, Bempedoic acid and we launched a new revolutionary drug resmetirom last year.

And then there are a couple of more drugs which are in the list. And of course, then there are a lot of drugs which are under development. You can see it in the screen which are more of cancer and new age drugs, Baraiciinib, Tafamidis, Bilastine, Finerenone, Rupatadine, Cariprazine. So, these are the drugs which we are already at a pilot scale. But I don't want to bore you with the technical thing here.

Friends, the interesting thing is that the new molecules, so revenue of the new molecules and the new products is increasing. As I shared that 6 products, we are market leaders, but the new product share is going up from 8% in 22. It has gone to 12.3% last year FY 25 and there is a 4.2% increase. And when we talk of the product revenue also, the

revenue also has gone up almost 60% or more in these last 3 years in the new molecules. Then as I shared earlier that we are primarily focused on exports on API and we are intentionally reducing our share in the domestic market. So export share has gone up from 64 to 72%, so almost 7.5% increase in the exports in the last 3 years.

So of course, it is a bit dicey issue that the global markets have been shaking. There have been a geopolitical situation, there have been wars, and I would say economic crisis in multiple parts of the country, in multiple parts of parts of the world. But our exports have increased thanks to our team and dedicated efforts by the R&D team and supplying the new products. And in terms of value terms also, the export value has grown more than 20% in the last 3 years.

So, coming specifically to the exports market and of course, we loosely say 80 countries, normally it is 85 to 86 countries. Now we have 500 customers which we are exporting which to them it's worldwide here, friends. The interesting point is 60% of the business come from repeat customers. So, this is what our strength is. The last 25 years we have been able to nurture so good relationship with the customers that we do not have to I would say go back and forth to find a new customer.

Every time we save 60% of the customer, there is a repeat business. And of course, we always enjoy good relationships with the customers because thanks to a beautiful team and a very experienced team, what we have and as you would say here in the in the graph side, on the side, U.S. market is only 15%. So, it is 15% of the total exports what we have. So around 72%. So total U.S. market or 150 crores out of 1800 crore. So, our dependence on US is only 6 to 7%.

So, we are very, I would say well diversified and very. Mature market in, in different segments, it is well segmented. So, we are not dependent on the US much. So, this is the region wise as you would say U.S. market even though there have been fluctuations in the policies and everything, but we have not lost any market. We are almost same U.S. market previous year, and this year Europe market has certainly gone up and India market as I shared earlier, we are intentionally going reducing our focus because of the price parity and APAC market of course has been growing other market MENA and South America, they are almost flat.

This is a countrywide position and coming specifically to the overall revenue, its API business has grown 3.5% quarterly. Of course it has grown 4% here friends, the interesting thing I want to share with you is that the business of the company has gone up 57% in terms of the volume. We have produced 57% more quantity as compared to FY 25, FY 23 from 23 to 25. But in price terms, the prices have come down almost 24%.

So, this is a what I would say the last 23 year impact of the price fluctuation in China and global scenario, the prices are not increasing. The raw material prices are coming have gone up and sales prices are coming down. So, there is a pressure on the margin which we are working, and overall revenue has gone up by 6 to 7% in spite of everything, 19% I think.

So now coming to the capacities as friends, you might be knowing that last year we had done a QIP for increased investment in the machineries and increasing the capacities. FY 23, we had 300 kiloliters (KL) of capacities, and it was increased to 400 KL last year finished and then now we are working on increasing more already 514 KL on FY 25 March. And of course, as we speak more machines are being installed and 600 KL capacity will be completed by the end of the year, which will be almost double than what we were at FY 23.

So of course, this is our I would say effort which have been R&D have been doing day in, day out. We have 168 patents which we have filed internationally, 55 scientists are working day and night to deliver what our customers want. We have 325 drug master files all over the world and 27 of them are in the US and Europe.

There are 48 new products, whichever R&D people team have churned out. And of course, then there are 30 new products of the finished dosage which our team has developed. And of course, you all know that in the last couple of years we have never got any bad report from USFDA. We have NIL 483, which is a USFDA inspection report, nil, NIL observation from USFDA from the last 3 consecutive USFDA reports, USFDA inspections.

And of course, as we speak, we are increasing our chemistry skills regularly. All our plants, API plants are inspected and approved by all the global authorities. USFDA which is from US and from Europe there is EDQM, then Japan, PMDA, ANVISA from Brazil and MPCA from China, then Korea of course WHO the GNP from India.

And for medical devices friends, we are approved by the ISO13485. So, all the plants are up to date and to global standards. So, as I shared earlier that we are increasing our focus on the finished dosages. So, the revenue is also increasing. The finished dosage revenue have gone up 21% in the last 3 years. We had 200 medical representatives till last year, and the idea is to take it to 400 by March 2026. We are already at 340, 350 as we speak. And of course, there will be adding every year and 1000 people more would be added in the next 3 years' time. This is an ongoing process. We shared earlier through a press release also that this first time in India we have launched a product Restemtirom which is a drug for the liver, fatty liver. This is usually called non-alcoholic fatty liver. So wherein people have fatty liver not because of alcohol but for other technical reason. So we have got approval from drug authority CDSCO and we have got permissions for biocular studies. So we are working towards to complete the process.

These are our prime formulations brand wherein we have Anti Infective, Saltum, Cafopen, Klarim. Then in Gastrointestinal we have good product DOM-DT, Intelbact is a pro biotic proeritory drug and UdoFix we launched this March only and this is growing fast and it will become a good size product in two years time, Acifix we have launched in raft. Then in Multi-ciatamin we have Rythmix, Kompact, Lycomore. On the cardia side we have launched couple of more products Ticapen, Apixamore, Empamore. So these are the drugs which I would say customer favorite and doctor's favorite these days.

And now, friends coming to medical devices. This is a hot topic everywhere including as we talked of these GST reforms about medicines I have just mentioned in general what about medical devices by name glucometer, glucometer strips then thermometer and look like government is looking positively for all these things.

So friends, who doesn't know we are number 1 in market leader in case of glucometer, we are number 1 in BP monitors for last 25 years we have been serving this industry and last 10 years we are doing our own manufacturing. So we have as of 31st March 14 Million users of Glucometers in the country so we have installed these meters and people buy strips over, we are fully integrated fully backward integrated facilities, we have all India distributions and of course the facilities are approved by ISO. This is the best combination we could have own manufacturing, own distribution, best facilities approved by ISO and of course we are looking for major growth in this sector.

So these are the common products. I am sure you can see it own screen, Glucometer, BP monitors, last year we launched rather re-launched nebulizers, theremoters, ortho supports, back supports, knee supports, ankle supports. Then sthethocopes for the doctors then some pregnancy kits.

The revenue of medical devices have been growing very good, last year it grew 12%, last quarter it grew 15% and in terms of meters installed, as you can see last year we have installed 11.7 Million meters and now this year it is 14.2. Then in n umber of strips from 36 crores to 41 crores. Annual revenue of glucometer is upto by 13%.

So this is the overall picture of Glucometers 15.3 Million meters in the market which is like 1.53 Crores and I would like to give you a little background, Total diabetic market of India is expected to be 10 Crores which is like 100 Million so out of 10 crore 1.53 crore meters are ours and I can say similar amount from completion or may be around 4 Million meters in the market, so 4 crore meters in the market, so out of 4 Crore wee are at 1.53 crore it is around 35-40% but this market is only a fraction of the market as compared to total diabetic population. May be I think the country needs 5to 10 years to reach to every single consumer as most of the customers are not addressable as most of them does not have the reach may be price is one factor, distribution is another factor, but as a company we are working hard to reach more

and more consumers and as you can see 2.1 gluco strips that have been sold these are the number of steps which our meters have conducted. So many people were already benefitted by this.

Then this is about BP monitors the growth is 12% and revenue by 14%. So we are increasing capacity for glucometers, glucometers strips and BP monitors and last year we have some QIP money which have been invested here also.

And now looking at the major growth drivers at this market. Friends, the major point here is that Medical devices business is growing for multiple reasons. One is increasing health awareness, thanks to internet, thanks to Covid everyone aware about health, parents are being under pressure of the kids to do regular BP test, then there is growing concern also, Then there is awareness and growing concern both things are there, Secondly, with the growing economy and support of the government disposable income are increasing so more and more people are spending on health and thanks to technology more and more devices have come up.

Globally, This medical device is a big business, 234 billion dollars where India is expected to be 50 billion by 2030. So, growing at CAGR of 12.7%. But India has got a large population base, and it is expected with a total diabetic population in 212 million wherein as we shared earlier, we are in decimals. Only 62% of the market is untapped. So, this is one issue that these untapped markets which slowly get tapped. So, I see this 62% market is an opportunity here.

As a part of the digital effort, we have launched an app wherein you can log in your reading BP or glucose and the app and you can scan it, read it, take a photo or text. So, this will keep a record, it will give you graphs, it will give you alerts. This is just an effort toward digitalization, towards digitalization. These are the few things which we have been doing for increasing our reach in the markets.

We have our products present in Thailand, Qatar, Oman under Dr. Morepen brand wherein we have local distributors who are distributing the products under our brand name. Then we are working on other market US, Kenya, Malaysia were in Kenya, Malaysia again will be through distributors but US may be with the big chains. So even though in the latest tariff war, which is played between big boys, so medicines are not covered but still we are conscious of the fact that in case there are any tariffs, so we do not get affected much.

So that is all about the overall business. Just to give you a quick review or the financial. So last year the revenue grew 7.5% and EBITDA grew 11.5% from 10.3% to 10.5%. PAT, which is profit after tax grew from 97 Crores to 118 Crores or 22% increase in the PAT. So, the PAT percentage from 5.9 to 6.5%. So overall happy ending and today we are at a situation that is okay looking at these numbers.

So, we are proposing to you to approve the dividend so that we get something in the money, something in the pocket. These are our 4 manufacturing facilities. We have a multi-integrated facility at the Baddi. Then we at Masulkhana which is our first plant where we started Parwanoo, we started in 96 our formulation plant, there was another formulation plant. These are industrial area. There are small plots but Baddi and Masulkhana big, but these are like 60 acres of land parcel, and this is just a one shot of the Baddi' facility. It is an old picture that's all from my side on the business. So overall, I would say the future is bright and with your continued support, the partnership market will not only grow but thrive. Thank you very much.

Now, may I request the company secretary to give details about the voting process.

Mr. Vipul Kumar Srivastava
(Company Secretary)

Yes, thank you, Sir. Dear Members, In accordance with the provisions of the Companies Act 2013 and the Listing Regulations, the Company had provided remote voting facility to its member through NSDL. The remote voting period commenced on 3rd of September 2025 at 9:00 AM and concluded on 5th of September 2025 at 5:00 PM. Members, who have not exercised their vote through remote voting may cast their vote during this meeting through an e-Voting facility available on NSDL e- Voting' page. The e-Voting platform is currently open and will remain accessible up to 15 minutes after the conclusion of this meeting.

Since, this Annual General Meeting is conducted through video conferencing and all resolutions stated in the notice of AGM have already put to vote through e-Voting. Therefore, there will be no proposing or seconding of the resolutions during the meeting. As informed earlier, Mr. Praveen Dua, Company Secretary in Practice is present at this meeting as a Scrutinizer to oversee the vote cast through remote e-voting and e-voting during the AGM, immediately after the conclusion of this meeting, the Scrutinizer will unblock the votes and prepare a consolidated report of the total vote cast in favor or against, if any.

The results of the voting will be declared within 48 hours of the conclusion of this AGM and will be placed on the company's website and website of NSDL and also communicated to the stock exchanges. The Company has also provided members with the opportunity to register themselves as a Speakers to share their queries or views. In this regard. The 15 members had requested to the register at a speaker out of which only 3 members submitted their details and queries in advance as prescribed in the notice of the AGM.

I am requesting the speaker shareholder to switch on their video and close background applications and use headphone for better connectivity and clarity during the process. If the speaker is unable to join through video, he or she may participate through audio mode. If connectivity issues arises at the speaker ends, the next speaker will be invited and once the connectivity improves or at the end of all the sessions, the earlier speaker may be called once again. Alternatively, their query may be read out on their behalf and addressed by the Chairman or may be replied to the through the email as well.

The speakers are kindly requested to limit their speech to a maximum of 3 minutes only so that all the registered speakers and members get a fair opportunity to speak before proceeding further. I seek the permission of the Chairman to continue. Sir, may I go ahead?

- Mr. Sushil Suri (Chairman & Managing Director) : Yes, yes, please go ahead. Go ahead.
- Mr. Vipul Kumar Srivastava (Company Secretary) : All right Sir, during the process, I am just switching to the first speaker, Mr. Vinesh Chandra, being a registered speaker.
- Mr. Vinesh Chandra : am I audible?
- Mr. Vipul Kumar Srivastava (Company Secretary) : Yes, yes, please. Yeah, Vinesh, we can hear you.
- Mr. Vinesh Chandra : Myself, Vinesh Chandra attending this meeting through VC from Gurugram. At first, I would like you to thank you give me a chance in this platform and thank you, Chairman Sir, for presenting the company's performance and for such a and informative presentation. Sir, some of the questions I would like to ask that the company has shown steady growth over the past over the past year. What are the key drivers behind this success and how do you plan to sustain it? Second, the dividend declared this year reflects strong profitability. And do you foresee maintaining or enhancing this payout trend in the future? Also, my third question, previous year, the company has raised funds by QIP for expansion and development of manufacturing facilities at Baddi and Masulkhana. Can you provide the status update on these projects? And at last, is the company considering raising additional funds in the near future if he has much more? So funding are being explored? Thank you.
- Mr. Vipul Kumar Srivastava (Company Secretary) : Thank you, Mr. Vinesh Chandra. Now I request to the next speaker Mr. Om Prakash Kejriwal, please unmute himself and allow your video to broadcast and proceed with your question. Moderator, please allow Mr. Kejriwal
- Moderator : Kejriwal, please unmute yourself.

Mr. Om Prakash Kejriwal : Hello. Moderator, can you give me the video Sir., I am audible.

Mr. Vipul Kumar Srivastava : Yes, Mr. Kejriwal, we can hear you.
(Company Secretary)

Mr. Om Prakash Kejriwal : Thank you. Thank you, Sir. Good afternoon, Sir ji. Good afternoon, my name is Om Prakash Kejriwal. Afternoon, everybody. Attending. Myself, Kolkata. City of Joy, thank you Sirji for providing me the platform to speak something before you.

This is my 5 General meeting with you For a 4 AGM and 1 EGM through virtual. Though, I am your very old shareholder from the time of IPO, so if possible please follow this virtual AGM in next year also so that more and more investors from different parts of the world to join our AGM and express their views. And company could benefit from their views. I want to thank you people for accepting my request for dividend distribution.

Thank you Sir, for announcing Dividend at the rate of 20% per share after 25 years. Sirji, India as population of our country is going and so our company also growing.

Our revenue grown to ₹1811 crore to, previous it was 1690 crore. Our net profit has grown to 118 Crores; it was 96 Crores. I saw that per share growth to 2.2 previous it was ₹1.8.

In external account, our interest is down to ₹1.90 compared to previous year, it was ₹2.17. Our first quarter in the June quarter of financing at 202-26 is not good in notional account or interest is down to 50 paisa to 69 paisa corresponding quarter of this year. And in controlling countdown is down to 20 paisa compared to 71 paisa corresponding quarter of this year. So, what is the reason for such less profit? And what is your expectation for the remaining 3 quarters? Do we get any benefit after GST announced on Wednesday?

So, the last year you transferred the branded formation RX business to Morepen Rx on 22nd August 2023. Again, in February 25, you propose to transfer our medical device business to Morepen Medipath Limited for ₹181 crore. Again, in August 25, our subsidiary Dr. Morepen Limited sold 9.17 crores shares at the rate of 20/- to go Groom Town Private Limited. And after this sale, our holding in Dr. Morepen reduced from 80% to 19.94%.

Now that the Dr. Morepen Limited is not have a subsidiary, Sir something it is not fair, Sir, something all these transactions are not good for the minority shareholders in my opinion.

I have requested in the last EGM on 10th February 25, please issue all company shares to all the shareholders of Morepen Laboratories Limited of Dr. Morepen Limited in proportional basis and list them in

the share market. It will unlock our value and you will get more and more shares.

Sir do not ignore the shareholders. It is my shareholder can only go sorry shareholder can only go along with my shareholder. Because I'm giving you a few examples Sir. One first example from Pune, 2 more company shares after the merger Beer investment limited here Utilities Limited secondary example. example like Reliance Industries Limited, one of the most big company Sir. Which one time salesman in petrol pump and selling petrol pump aur textile se refinery garment se abhi kya jio telecom retail kya unke pass sabhi ek company ke andar unka turnover Sir 9.6 Lakh Crore. Ek he company ke andar Reliance Industries Limited corona ki pahle aur abhi ek company ka share diya Jio finance collector uske baad company. Class.

You can do Google Sir and you can check my words. There are a few more examples Sir. I can give you some more examples so that it is my humble appeal to you. You will progress more if you keep minority shareholders along with your journey, Sir. These are some of my observations. Please think it over.

Mr. Vipul Kumar Srivastava : Thank you Mr. Om Prakash Kejriwal, now I am requesting to next speaker and the being the last speaker. Mr. Praveen, please unmute himself and allowed your video to broadcast and go ahead with your question. Moderator, please connect with Mr. Praveen.
(Company Secretary)

Mr. Praveen Kumar : Very, very good afternoon to my respected Chairperson, respected Board of Director, my fellowship myself Praveen Kumar joining this meeting from New Delhi. I have few observations which I love to share with the entire House. But before that, Sir, in this financial year, this is our first online interaction with the management. So I wish the entire management team, each and every dedicated employee of our company a happy health and prosperous which are coming down to my observation.

Due respect to my earlier speaker Kejriwal, Sir, I am also to the company since I view and I have the deepest, deepest respect for you Sir, your address to the shareholder very, very informative. Thank you very much after that excellent presentation that Sir and you are always smiling. I pray to the God that you smiling healthy and happy and creating sustainable creation for a retail investor like me, Sir and due respect to my speaker.

They ask many every question. So I don't want to repeat them. But yes, one more thing for a retail investor like me, the litmus test of any communication between the company and the retail investor like me. In this regard, Sir, I have to thank our respected company secretary and his entirely Sir, even during the course of year, if you want any update about the company that we are promptly informed. He is the previous asset. As far as the company's concerns, Sir, we are always welcome to the and update that truly boost our morale as far as

investment in the company's concerns, Sir. And yes, I also you know that this year it was like historical year after so many years the first time. God bless you for that. It's a good start. And yes, as far as the demerger of our 2/3 vertical which Mr. Kejriwal mentioned, if the management for possible viable, so do that like especially always there for you at the answer. I just pray for God that he will bless you with all the possibility so that he will keep the momentum of creating sustainable value creation for retail industrial like me. And thank you very much for this opportunity. Bless you, chairman Sir.

Mr. Vipul Kumar Srivastava : Thank you, Mr. Praveen. Thank you so much. Sir, with this question, (Company Secretary) we are ending up our session. Sir, request to take up the questions.

Mr. Sushil Suri (Chairman & : First of all, I would like to thank all the participants who have come, Managing Director) prepared questions and particularly the long list of questions. Of course, I was thinking Mr. Chandra has asked 4 questions. I think Mr. Kejriwal has asked almost 10 points. So I am happy that someone is spending time on us. So that is very good. So coming to Mr. Chandra's question first, so Vinesh Chandra. So I think that is a very valid point to begin with. What are the key drivers of growth? So last year growth of course, it was very clear that the growth is coming from all corners. No doubt the growth in the API was a bit muted around 4%, but medical devices grew on around 12% and formulation grew around 15%. So, all 3 sectors were growing.

So, the interesting question is, is the growth sustainable? I think that is a valid point that API growth, nominal growth of coal, 45% growth is not a big deal. So, we will always be able to sustain, but obviously we are looking for more growth for API which we are not seeing immediately. So, because of the disturbed Q4 rather Q3 onward since the time the U.S. was disturbed and of course there was something happening in Europe, Q4 then Q3, Q4 even Q1, Q1 was almost washed out.

Now against because of this whole tariff story, the whole world is a bit disturbed on exports particularly. So, we are thinking that probably we may not grow API at that speed but finished dosage market is growing, domestic market is growing, medical devices growing because that major business is in India only. So, we are happy, and the growth of drivers are all sustainable. And then I think the next question, which is more of a wish that okay, dividend has come up and we foresee dividend will be able to increase and continue. We all pray for that, and I always say that like you, I am also a shareholder. So, we all wish we are working together for this whole big thing, and we will keep on paying the dividend and how and how much would have again depend on the cash flows and we will come back to you next year to see what kind of dividend we offer.

So next I think it is on the QIP program and expansion. So, as I broadly explain, there were 2 areas of QIP. One was the API and second was the medical devices. And of course, 3rd of course was small working

capital part. Working capital is going in routine and has been spent on the API part. Around 70% of the money has been spent and the capacities are being created. Some fact building work is over. Some machineries have come. By the end of this year all the API part will be over medical devices.

There is one project still bit slow because of the global scenario. But by the end of the year all the projects will be completed. We had planned for 18 months where may not be 18 months by within 15 months we may be able to do that. So, but it's a contract.

And the last question is an interesting question. Do we need more funds? I would say we all need more funds, but we do not have any immediate public plan to raise any capital because not because we don't have to grow, we don't want to grow. But I think we should wait for the global scenarios to settle, things to settle. But in the meantime, companies are working on new projects, new R&D initiatives and a lot of activities are happening.

So, as you would see when my reply, Mr. Kejriwal's questions are not happening around various things and at whatever level fundraising is required. So, we will come back. So, I hope I have answered all the questions of Mr. Chandra. Thank you Mr. Chandra for spending time preparing for us and then I can reply to Mr. Praveen. I think most of the points were on retail investors and of course most of the points were hinted again and Mr. Kejriwal. So, thank you Praveen Ji.

So now I come to Mr. Kejriwal. So, which is he said that the 5th meeting, but I would say he had been attending all AGMs online, offline. So is one of the oldest shareholders in the company. So that is a very good welcome, Mr. Kejriwal. So here I think the major point, the first point he has raised other than the facts is that why is a June quarter's profitability down. As I shared with you, there are 2 major things. One of course is the global factors wherein export orders are bit delayed. I would not say that there are not there. Export orders are delayed because earlier people are keeping regular inventories, regular pricing and of course regular scheduling and dispatches were there. Now because of the disturbance, because of the price fluctuations from China, because of the global uncertainty, nobody is keeping stocks. So, everybody is in a wait and watch. So more of business has come on a spot basis than on a long term basis.

In general. For example, if some company places an order two months in advance, three months in advance, now nobody is doing advanced ordering. So that is why there is a slowdown. So, it may be temporary, but we have to wait for the right thing. But ultimately, so long as human beings remain, medicines will remain, demand will remain. So, there is no depth of demand, but sometime one product shifts to another product, sometime there is a temporary blip. But overall, there is nothing wrong and these are temporary issues. And when the market improves, we are able to recover much faster.

So, a second interesting point is GST reduction where there would be in benefit, I would say absolutely all companies would get benefit and more importantly is our customers would get benefit, patients will get benefit, doctors will get benefit, insurance companies will get benefits. So, it is an overall, as I shared earlier that it is not a tax reform, it is a health care reform. It is a health care gift, and the government has shown very clearly the intention that we should tax the luxury, not the lifeline. So now lifeline cannot be taxed, you cannot be taxed to live. So that is I think an interesting thing.

So then coming about the various restructuring which are happening. So that I would say in a broader sense, I am not talking very specifically. So, Mr. Kejriwal, what is happening is that we are a pharma company, another pharma company. 40 years ago, we started as a API company, bulk drugs company. So, as we go forward and of course at some stage at some level of management and some level of top line and team, so you can manage the house within a given system. But now the size of the company is growing, we need better skills, better management. So, API has become a core focus and remains the core focus. So, whatever does not fall into that API and R&D API, the core story is R&D and of course you need a good business development team that is it. But the business development team also cannot do much primarily things in R&D. So, we want to focus on Morepen as a parent company to focus on R&D and remains core API company and that is what our investors are looking for from us. That is what our stakeholders are looking for us. They are okay. What does Morepen do? Morepen cannot be doing API and formulation and RX & OTC and medical devices. So, because investors in the market 40 years ago the market was different. Now after 40 years markets have changed. Investors are specialized. Someone who is investing in API, he is not investing in devices. Someone who is investing in consumer goods is not interested to listen to for example, medical devices or more people are interested in medical devices than for example say R&D. So, these are different set of investors. So, we are restructuring and realigning the whole company within the given framework so that we are more approachable to institutional investors.

And as you would see our institutional in holding is very minimal. It is only decimals one or 2%. So, we are looking to prepare the company for the next phase, and I will usually call it Morepen 2.0. As Morepen 2.0, we want to be very focused, dedicated, clean and clear picture that this is what it is. So temporary, we will feel some gaps here and there and specifically touching for example, RX business, we separated RX business because that is a sales focus and you would already see that the moment we made it a separate company, we immediately started announcing its growth plan that now as Morepen RX, we are increasing the manpower. We are taking it to the next level because when RX business is sitting in the parent company, so it does not have a focus, it does not have a clarity, it does not have its own targets. You

are sitting under the tree with an umbrella. So, but if you already have an umbrella we would say go and walk.

So, I am taking a lighter example. Kejriwal Ji bachcha thoda bada ho jaata hai usko bola jaata hai bhaai independent chalo jao apna jindagi dhundho. So, we cannot remain under shelter every time. So that is what is happening with RX. So, on the medical devices we had already planned that okay, we shift the medical device business to a separate company. So here we had already considered the demerger process and most of you would know that the demerger process is a court process. So, looking at the priorities of the company and looking at the overall picture that we are a 40 year old company and medical devices market is hot. So, we thought that okay, we should try to do a process wherein medical devices business can be hive offed into a separate business without affecting the tax structure to the company and of course ultimately to the stakeholders, to all the shareholders. So that we can always produce a value for both parties, for the company also and for the shareholder also.

But here the issue is that we are trying to avoid the court process. But if we avoid the court process, then it is easy that it is an internal arrangement, and we shift it as far as the number is concerned. So, the number is typically it is just a number derived from a balance sheet. So, so that to avoid tax so that you we do not have to pay tax just because we shifted from one company to another whenever that company creates some value. But now under the present structure, so we have also been able to rearrange the promoter holding in a way that as promoter company, because it is a valuable asset, we have to have a certain percentage of the stake. We cannot expect that okay, company to be at 30% holding by the promoter or 40% holding by the promoters. So, our investors have been consistently asking us to raise your share. So, we have been advised to in a certain pattern so that before we go to the market, promoter shareholding should be at a certain comfort level so that investors get a comfort and a broad thing.

Similarly in the Dr Morepen brand or our Dr Morepen subsidiary. Here again Mr. Kejriwal. So as a company as a whole, like you said that like I shared earlier that I am an API company and then I am a medical devices company. So as an API company, a medical, API company priorities, R&D, medical devices again either it is an R&D priority or naturally it is a more of a diagnosis and customer focus. But OTC business is absolutely different. It is consumer focus. So, OTC business needs more consumer attention. It is more going toward FMCG and these days with online things coming up with Instagram coming up with different type of shopping coming up.

So that is a different cup of tea. So there again, we were looking to buy out certain things and of course the market cap was of the, the value of the company was small. So, it was a, I would say bitter, pill to swallow but we decided to do it in such a way that, okay, the long term value creation of this company will be much higher.

Dr Morepen is a company that has not been able to create any value in the last 25 years. We have been investing, investing, investing and it still needs more investments. So, if we are not as a company, we are not ready to invest, then sometimes we have to take a call, okay, we are not investing. We get a partner who is ready to invest, maybe bring in equity or bring in market capital whatever way. So, these are broad things but within lines to lines, I think there are a lot of things which we work before giving any news to the market.

And finally, I welcome you to this point that wherein you said the share price will be ₹500. I think lakhs were all work towards that and make this company thrive. And particularly today when we are meeting on such a very spiritual and divine day, all your words are important, and all your blessings are required. So, I think with all, I think like. Questions are answered in all 3.

With this now I would like to thank all the members for asking questions and sharing their thoughts on this virtual AGM. I have tried to address all the concerns of each speaker. If any have missed out then please contact the Company Secretary. And of course he had been very responsible through email. Now September the Company Secretary to conduct the voting process as stated earlier by him that e voting shall remain open till 15 minutes after the conclusion of the AGM and the results will be declared at the latest by 8th September that is Monday. And I am thankful to all the members, directors, auditors who joined the meeting through video conferencing and their cooperation in the smooth conduct to the AGM. With your permission, I along with the Board of Directors, would like management members to leave the meeting and the meeting is concluded. Thank you very much.

Mr. Vipul Kumar Srivastava : Dear members, thank you for joining us today. You can vote till 15
(Company Secretary) minutes from now if you did not vote earlier. Thank you for your support and voting. Thank you so much.

Mr. Sushil Suri (Chairman & : Thank you, Shukrana. Thank you.
Managing Director)
