



TRANSCRIPT OF THE PROCEEDINGS OF THE 13TH ANNUAL GENERAL MEETING OF RPG LIFE SCIENCES LIMITED HELD THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS ON THURSDAY, AUGUST 20, 2020 AT 03.00 P.M.

PARTICIPANTS

Mr. Harsh Goenka

Chairman

Mr. Yugal Sikri

Managing Director

Dr. Lalit S. Kanodia

Independent Director

Mr. Manoj K. Maheshwari

Independent Director

Mr. Mahesh S. Gupta

Independent Director

Mr. Narendra Ambwani

Independent Director

Mr. Bhaskar Iyer

Independent Director

Mr. Sachin Nandgaonkar

Non - Executive Director

Mr. Mahesh Narayanaswamy

Vice President – Finance

MR. HARSH GOENKA

Good Afternoon Members! I hope that you and your family are safe and fine.

I take great pleasure in welcoming you to the Thirteenth Annual General Meeting of your Company. The quorum being present, the meeting can now start.

In view of the continuing COVID-19 pandemic, and to ensure social distancing norms, this Thirteenth AGM of the Company is convened through Video Conferencing or Other Audio Visual Means, in accordance with circulars issued by the Ministry of Corporate Affairs in this regard and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

I would now request the members of Board, who are present in this meeting to introduce themselves.

➤ **Mr. Yugal Sikri**

Good afternoon Members, I am Yugal Sikri, Managing Director of the Company

➤ **Dr. Lalit S. Kanodia**

Good afternoon Members of the Company, this is Dr. Lalit Kanodia. I am an Independent Director of the Company and Chairman of Nomination and Remuneration Committee

➤ **Mr. Manoj K. Maheshwari**

Good afternoon Members, I am Manoj K. Maheshwari, Independent Director of the Company

➤ **Mr. Mahesh S. Gupta**

Good afternoon Members, I am Mahesh Gupta. I am an Independent Director and Chairman of Audit Committee

➤ **Mr. Narendra Ambwani**

Hello! I am Narendra Ambwani. I am an Independent Director and I chair the Stakeholders' Relationship Committee as well as CSR Committee.

➤ **Mr. Bhaskar Iyer**

Good afternoon Members, I am Bhaskar Iyer, Independent Director

➤ **Mr. Sachin Nandgaonkar**

Good afternoon Members, I am Sachin Nandgaonkar, Non-Executive Director of the Company

MR. HARSH GOENKA

Representatives of Statutory Auditors "BSR & Co. LLP" and Secretarial Auditors "Parikh Parekh & Associates" are also attending this meeting.

The Company has received 22 Corporate Authorizations, representing 1,18,83,559 (One Crore Eighteen Lakhs Eighty Three Thousand Five Hundred and Fifty Nine) equity shares of the Company constituting 71.85% of the paid up equity share capital of the Company. There is no proxy facility available for this meeting.

The Register of Directors & KMPs (including their shareholding) maintained under Section 170 and Register of Contract maintained under Section 189 of the Companies Act, 2013, are available for inspection electronically and the Members may send their request to inspect the same.

The Notice of the meeting along with Annual Report of the Company for FY 2019-20 have already been sent to the Members through electronic mode, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. We, therefore, take the notice as read.

As the Statutory Auditors' Report and the Secretarial Auditors' Report do not contain any qualification, observation or adverse comment, it is not required to read these Reports at the meeting.

Now I would like to brief the Members on the operational and financial performance of the Company.

The Annual Report and audited financial reports have been with you for some time and I am sure you have gone through them. I will share with you details of the Company's performance during the year and some of the initiatives and the plans for the current financial year.

Towards the end of the last financial year, India was in the early stages of the spread of the Covid-19 pandemic and the Government had announced a nation-wide lockdown. Since your Company is in the business of pharmaceutical products which come under essential goods category, the production facilities of the Company at Navi Mumbai and Ankleshwar remained operational during the lockdown. However, there were several challenges which resulted in lower demand generation. Private clinics were mostly closed, patient footfall at hospitals and OPDs was severely impacted, surgery procedures were reduced, stockists were closed in red zones and our field force was unable to meet directly with doctors. On the supply side, many of our vendors had difficulty in starting operations due to non-availability of labour and transport. The restrictions placed on people movement impacted attendance of our employees. Despite these obstacles, the Company persevered and ensured steady supply of

medicines to the market. Among the many actions taken by the management, conserving cash, safeguarding health of employees and maintaining the supply chain were the key priorities.

Corporate Performance

For the year ended March 31, 2020, the total income was Rs.376 crores as against Rs.331 crores in the previous year and the Profit after tax was Rs.29.0 crores as compared to Rs.10.8 crores in the previous year. The increase in sales and net profit was mainly due to improved performance of Domestic Formulations division and the Rest of the World division.

The Board of Directors had, in the month of March 2020, recommended an Interim Dividend of 50%, which was also the final dividend, as against 30% paid in the previous year.

Formulations Business

The Formulations business as a whole, comprising of Domestic and Export business, achieved a combined revenue of Rs. 263 crores as compared to Rs.213 crores, higher by 23.5% over the previous year.

Domestic formulation business growth of 23.1% was on account of higher prescription generation, augmenting product portfolio through new product launches and line extensions and better control on sales hygiene and market inventories.

The Company continued its focus on domestic business with emphasis on strengthening legacy brands like Azoran, Aldactone, Lomotil, Naprosyn, Serenace and Lomofen Plus and introducing new products in the chronic and specialty segments. The Company introduced three MABs, in the therapeutic segments of Oncology and Rheumatology and also launched two anti-diabetic medicines. In the Export business, our sales in Myanmar almost doubled.

Global Generics Business

The Global Generics business achieved sales revenue of Rs.39 crores, degrowing 9.6% year-on-year mainly on account of lower orders from a key customer in UK and due to a sharp price drop of one of the Company's products, making it commercially unviable to produce. On the positive side, our customers from Canada, Germany and Australia continued their regular orders.

The Company in the first quarter of this fiscal, sold Sodium Valproate, an anti-epileptic drug in the UK market.

API/Bulk Drugs Business

The API business earned revenue of Rs.67 crores, marginally lower by 1% over the previous year. This was due to lower orders from a customer in Mexico. However, the shortfall was compensated by higher sale of other APIs like Azathioprine, Propantheline Bromide, Risperidone and Pantoprazole to both our domestic and international customers.

Exports of the Company were Rs.122 crores as compared to Rs.129 crores in the last year.

Outlook for the Current Year

During the first quarter of the current fiscal, the total revenue at Rs. 91.7 crores was marginally lower by 2.2% as compared with the same quarter of the previous year and net profit was higher by 8% at Rs. 9.06 crores as compared to Rs.8.35 crores.

The impact of COVID-19 has been felt across businesses and this is true also for the domestic pharmaceutical industry with negative growth reported in the first quarter, across all major therapies. The Company has streamlined its business processes and we believe that, except for temporary disruption, there is no material adverse long term impact on the operations and financial position of the Company due to the COVID-19 pandemic.

In conclusion, I would like to place on record our grateful appreciation to all our customers, banks and most importantly, you the shareholders, for your continued support and co-operation.

Thank you!

As the Company Secretary could not attend the meeting, I would request Mr. Mahesh Narayanaswamy to make an announcement with respect to e-voting facility which has been activated for voting at the AGM.

Mr. Mahesh Narayanaswamy

Dear Members,

Good afternoon! In Compliance with the relevant provisions of the Companies Act 2013, Rules made thereunder and SEBI Listing Regulations, the Company has provided the facility to the Members to exercise their right to vote on the businesses proposed to be transacted at this AGM through remote e-voting for the period commencing from August 17, 2020 to August 19, 2020. In order to facilitate voting to those Members, who have not exercised their right to vote through remote e-voting, the Company has also provided facility to vote at this AGM through e-voting platform of NSDL.

Mr. Mitesh Dhabliwala, Practicing Company Secretaries, has been appointed as the Scrutinizer for remote e-voting as well as e-voting at this AGM, who would scrutinize the votes and hand over the combined report on voting within forty eight hours of conclusion of this AGM.

Upon receipt of the result of voting along with the Scrutinizer's Report, the same shall be uploaded on the website of the Company, NSDL and shall also be submitted to the Stock Exchanges.

Since this meeting is being held through Video Conference/Other Audio Visual Means and the resolutions mentioned in the Notice convening this meeting have already been put to the vote through "remote e-voting" there is no proposing and seconding of resolutions.

Thank you! I, now request the Chairman to please continue with the proceedings.

MR. HARSH GOENKA

The Company had provided the facility to the Members to register themselves in advance during the prescribed time given in the notice of the AGM, by sending request from their registered email ID to express their views or ask questions during the AGM. The Company has not had any registrations during the prescribed period.

I take this opportunity to place on record our grateful appreciation to all our customers, bankers, employees and most importantly, the Members, for their continued support.

I once again thank the Members of the Company for attending this Thirteenth AGM of the Company. I declare that the meeting is concluded.

Now those Members, who have not voted through remote e-voting may cast their votes during next 15 minutes. I authorize Chief Financial Officer to receive the combined voting results from the Scrutinizer and submit the same to the stock exchanges.

Thank you!