



**TRANSCRIPT OF THE PROCEEDINGS OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING OF RPG LIFE SCIENCES LIMITED HELD ON FRIDAY, JULY 29, 2022 AT 03.00 P.M. THROUGH VIDEO CONFERENCING/OTHER AUDIO-VISUAL MEANS**

**PARTICIPANTS**

**Mr. Harsh Goenka**

Chairman

**Mr. Yugal Sikri**

Managing Director

**Mr. Manoj K. Maheshwari**

Independent Director

**Mr. Mahesh S. Gupta**

Independent Director

**Mr. Narendra Ambwani**

Independent Director

**Mr. Bhaskar Iyer**

Independent Director

**Ms. Zahabiya Khorakiwala**

Independent Director

**Mr. Sachin Nandgaonkar**

Non - Executive Director

**Mr. Rajat Bhargava**

Non - Executive Director

**Mr. Vishal Shah**

Chief Financial Officer

**Mr. Rajesh Shirambekar**

Head - Legal & Company Secretary

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**MR. HARSH GOENKA**

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

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

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

I would like to introduce the fellow members of Board, who are present today.

- **Mr. Yugal Sikri**, Managing Director
- **Mr. Mahesh S. Gupta**, Independent Director and Chairman of Audit Committee
- **Mr. Bhaskar Iyer**, Independent Director
- **Ms. Zahabiya Khorakiwala**, Independent Director
- **Mr. Rajat Bhargava**, Non-Executive Director
- **Mr. Sachin Nandgaonkar**, Non-Executive Director
- **Mr. Narendra Ambwani**, Independent Director and Chairman of Stakeholders' Relationship Committee
- **Mr. Manoj K. Maheshwari and Dr. Lalit Kanodia**, Independent Directors are unable to attend the meeting due to personal exigencies. Dr. Kanodia, Chairman of the Nomination and Remuneration Committee (NRC) has authorised Mr. Bhasker Iyer, Member of the NRC to officiate on his behalf.

**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 20 Corporate Authorizations, representing 1,19,40,758 (One Crore Nineteen Lakhs Forty Thousand Seven Hundred and Fifty-Eight) equity shares of the Company constituting 72.20% of the paid-up equity share capital of the Company. Since the meeting is held online 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.

The Notice of the meeting and with Annual Report of the Company for FY 2021-22 have already been sent to you 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 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 statements of the Company for the year ended 31<sup>st</sup> March 2022 have been with you for some time and I hope that you have gone through the same.

The second wave of the pandemic in the early part of the last financial year had a significant impact on the economy and business, with restrictions on mobility, supply chain disruptions and volatility and increase in raw material and logistics costs. However, through the pandemic, the company has remained committed to serving its customers and patients. The frontline salesforce continued its customer outreach ensuring critical life-saving medicines to patients. The company also supported the community through multiple initiatives including portable 'Fever Clinics', distributing food to the needy and donating medical kits among several other initiatives and also the company prioritized safety and well-being of its employees and their families.

Amidst the challenges on demand and supply-chain, the company-maintained focus on business continuity and took measures to control costs. This was reflected in the business performance, with the business sustaining an upward growth trajectory. The company achieved a revenue growth of 13%, maintained a consistent year-on-year profit margin acceleration and generated healthy cash flows.

For the year ended 31<sup>st</sup> March, 2022, the total income was Rs.443 crores as against Rs.390 crores in the previous year and the Profit after tax was Rs.51.48 crores as against Rs.40 crores in the previous

year. The increase in sales and net profit was significantly contributed by the improved performance of API and Domestic Formulations business.

The Board of Directors have recommended a dividend of 120% for the financial year ended 31<sup>st</sup> March 2022, as against 90% paid in the previous year.

The Domestic Formulations business constituted 65% of the company's sales and achieved revenues of Rs.281 crores as compared to Rs.235 crores in the previous year registering a growth of 19%. The sales growth was driven by several measures to improve demand generation, productivity enhancement and customer engagement.

The Company continued its impetus on enhancing the product portfolio by way of new launches in identified therapeutic segments. New products launched include IroHigh in Nephrology segment, Azilta and DPO ranges in Cardiovascular segment and Solifirst and Mirasmart S in Urology segment. Also, the mono-clonal antibody (MABs) portfolio built in the past few years has been witnessing an impressive uptake. The company has devised a diligent life cycle management strategy for its legacy brands to grow them as strategic assets. As a result, new line extensions like Aldactone F and Naprosyn Plus have been launched. The company had also launched a new digital platform, 'RPGserv' to augment doctor engagement which is an industry-first "Anytime Anywhere Doctor Support Initiative". The platform showed encouraging results during the year.

The International Formulations business achieved sales of Rs.78 crores, registering a de-growth of 2.8% year-on-year. This was mainly on account of lower sales in Myanmar, where we were affected by political unrest.

The API business earned revenues of Rs.78 crores as compared to Rs.68 crores in the previous year registering a growth of 15%. This was due to higher sales of some of the Company's key APIs.

Exports of the Company were Rs.142 crores as compared to Rs.138 crores in the last year.

As far as the outlook for FY23 is concerned, the Company's focus is to maintain the growth momentum in top-line and bottom-line across the business segments. In Domestic Formulations, the priority is to continue product portfolio augmentation through new product launches and foray into new customer segments and therapies. In International Formulations and API businesses, the focus would be on new customer acquisitions. The Company continues to closely monitor and navigate the challenges caused by the pandemic and due to the geopolitical turbulences in certain geographies. The Company is also looking out for suitable opportunities for inorganic growth.

Thank you!

Before we invite the speaker Members to speak at this meeting, I would request the Company Secretary to make an announcement with respect to e-voting facility which has been activated for voting at the AGM.

**MR. RAJESH SHIRAMBEKAR**

Thank you, Sir!

Good afternoon Members, In Compliance with the relevant provisions of the Companies Act 2013, Rules made thereunder and SEBI Listing Regulations, the Company had provided the facility to the Members to exercise their right to vote on the business proposed to be transacted at this AGM through remote e-voting for the period commencing from July 26, 2022 to July 28, 2022. 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 the e-voting platform of NSDL.

Mr. Mitesh Dhaliwala, Practicing Company Secretary, 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 two working days of the 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**

Mr. Manoj Maheshwari, Independent Director has also joined the meeting.

The Company had provided the facility to the Members to register themselves in advance, by sending request from their registered email id to express their views or ask questions during the AGM. We have received requests from a few of the shareholders. As I call out each name, the host will unmute the member and he may please put on the video and speak.

The shareholders are requested to be brief and to the point.

**MR. HARSH GOENKA**

May I request Mr. Anil Parekh

**MR. ANIL PAREKH (Speaker Shareholder)**

Hello, Hello

**MR. HARSH GOENKA**

Yes, we can hear you

**MR. ANIL PAREKH**

Chairman Sir, can you hear me Sir?

How are you Sir?

**MR. HARSH GOENKA**

Very Well Thank you

**MR. ANIL PAREKH**

Sir do you remember me or have you forgotten Sir?

**MR. HARSH GOENKA**

Ofcourse I remember you.

**MR. ANIL PAREKH**

Sir, since a long time we could not meeting physically. But I expect that next year the situation is favourable and we can meet each other and greet each other. I would also like to meet the secretarial team who is the link between us.

**MR. HARSH GOENKA**

Sure.

**MR. ANIL PAREKH**

Sir, thank you for allowing me to speak and I am also thankful to our secretarial team, Mr. Rajesh Shirambekar and Mr. Rahul Dave, they both are kind to call us and help us to join this meeting and I am thankful to them only.

Sir, I have seen the Annual Report, which was sent to me by the CS Team.

Sir, my First question is: How many Scientists do we have and what is our R & D expenses?

Sir, secondly, how many women employees, out of 1100 permanent employees?

Third, Eh! We have six textbook brands which are trusted by patients and doctors which are they Sir,

Ah! which are the brands and how well it is accepted by patients and doctors?

Sir, do we have any products for Oncology, cancer, COVID or any other viruses?

Sir, I am joining other meeting also at this time, so I am curtailing myself here and wishing you best of luck. Thank you for patient hearing and I am supporting all the resolutions. Thank you, Sir.

**MR. HARSH GOENKA**

Thank you! and may I now request Mr. Keshav Garg

**MR. KESHAV GARG (Speaker Shareholder)**

Sir, I hope my voice is audible.

**MR. HARSH GOENKA**

Yes, Please

**MR. KESHAV GARG**

Sir, thank you very much for providing me this opportunity and I want to congratulate your team for all time high numbers.

Sir, also Sir I have received the answers to all my questions, so I don't want to repeat them. Sir, it is just that I want to understand broadly that we have had an exemplary performance as far as our operating margins go from around 5% ahh in FY 14 to around 20% last year, Sir but now the question is that has this already played out and the margin expansion is behind us or can we look at further increase in margins or now is it a challenge to hold on to this 20% margins which are in itself a quiet a healthy margin and ahh Sir secondly Sir ahh I was going through few media articles, Sir which said that in 2016 that the Company was planning to hit a top line of 1000 crores in the next 5 years, so but somehow ahh I don't think we have been able to do that, Sir, so still the question remains that when you see us touching somewhere around 1000 crore and if you can just give a broad ah understanding to the shareholders ahh Sir that's about it. Thank you very much and best of luck to you and your team and Sir one request that whenever Sir if the share price is weak, Sir then it's an opportune moment to do our share buybacks since now we are a debt free and a cash surplus company with healthy cash flows. Sir, so you may kindly consider that also, Thank you.

**MR. HARSH GOENKA**

Thank you.

Yeah ah!! Mr. Anil Parekh Humar bhi yahi ichha rahegi ki agle saal physical meeting ho aur ye COVID humare piche ho.

Number of Scientist we have are 34, our R & D expenditure is 11.34 crores.

We have 62 women employees, the 6 textbook case brands that we have are Azoran, Naprosyn, Aldactone, Seranace, Lomotil and in terms of Oncology products that we have is Hermab and ahh Avazumab.

Mr. Kesahv Garg, we would like to reach the 1000 crores as soon as possible but we ahh you know we have to hope that in the next 5 years we can we can cross a 1000 crores and we shall consider your ahh suggestion about the share buy back and as far as the profit margins are concerned the Company has instituted a lot of measures to see how we can have the ah right operating margins what we're trying to do is improve our product portfolio mix. Ahh, how do we, how do we get a better sense, Hygiene Opex control so we hope that with all the measures that we are taking, the NP profit margins will continue.

On the other hand, we have to be careful of what's happening globally. Raw material costs are going up. There are issues in in terms of supply chain disruptions because of Ukraine, China, etc. These could have a bearing, but our object would be to see how we can, you know, try to maintain and improve upon our merchants.

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

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

"I once again thank the Members of the Company for attending this Fifteenth Annual General Meeting of the Company. I declare that the meeting is concluded."

"Thank you very much"