

**TRANSCRIPT OF CIPLA LIMITED – 85<sup>TH</sup> ANNUAL GENERAL MEETING HELD AT  
3.00 PM (IST) ON 25<sup>TH</sup> AUGUST, 2021 THROUGH VIDEO CONFERENCING AND  
WEBCAST**

**Management Participant:**

Dr. Y.K. Hamied – Chairman  
Mr. M. K. Hamied – Vice Chairman  
Ms. Samina Hamied – Executive Vice- Chairperson  
Mr. Umang Vohra – Managing Director & Global Chief Executive Officer  
Mr. S. Radhakrishnan – Non-Executive Director  
Mr. Adil Zainulbhai – Lead Independent Director  
Mr. Ashok Sinha – Independent Director  
Ms. Naina Lal Kidwai – Independent Director  
Mr. P. R. Ramesh – Independent Director  
Dr. Peter Mugenyi – Independent Director  
Ms. Punita Lal – Independent Director  
Mr. Robert Stewart – Independent Director  
Mr. Kedar Upadhye – Global Chief Financial Officer  
Mr. Rajendra Chopra – Company Secretary

**Auditor Participant:**

Mr. Ashish Gupta – Walker Chandiok & Co. LLP, (Statutory Auditors)  
Mr. B. Narasimhan – Practicing Company Secretary and Partner, BNP & Associates (Secretarial Auditors) & Scrutinizer  
Mr. D.H. Zaveri – Cost Auditor  
Mr. L. Bhargav – Assurance Reviewer

**Moderator:**

Dear shareholders, good afternoon and warm welcome to you all at the 85<sup>th</sup> Annual General Meeting of Cipla Limited being held through video conferencing and webcast. For the smooth and seamless conduct of the meeting, all the shareholders will be in the mute mode. The audio and video will be unmuted for those shareholders who have registered themselves as speaker shareholders on commencement of the Q&A session. Members who have not registered as speakers but want to ask questions may do so by posting their questions in the chat box option available on their screen.

Shareholders are also provided webcast facility for live viewing of the proceedings of the meeting. Please note that as per the requirements of the law, the proceedings of the annual general meeting will be recorded and the transcript will be uploaded on the website of the Company.

I now invite our Chairman, Dr. Y. K. Hamied to initiate the proceedings. Over to you, Chairman.

**Dr. Y. K. Hamied:**

Ladies and gentlemen, it gives me immense pleasure to welcome you all to the 85<sup>th</sup> annual general meeting of Cipla held through video conferencing and webcast. I hope all of you are safe and in good health. I also hope that all of you are vaccinated or on your way to getting there, so that we can emerge out of this pandemic stronger and return back to our normal lives.

Now, before I start the proceedings, let me introduce you to our board members and senior management and auditors present with us today. On the left of your screen, we have Mr. Ashok Sinha. He is an Independent Director and the Chairman of the Audit Committee. Next to Mr. Sinha, we have Ms. Naina Lal Kidwai. She is also an Independent Director and the Chairperson of the Stakeholder Relationship Committee. We then have Mr. Adil Zainulbhai. He is the Lead Independent Director. Next to Mr. Zainulbhai, we have Ms. Punita Lal. She is also an Independent Director and the Chairman of the Nomination and Remuneration Committee. Next to Mrs. Lal, we have Mr. Kedar Upadhye, our Global Chief Financial Officer. Then we have Mr. Umang Vohra. He is the Managing Director and Global Chief Executive Officer of the Company. Next, we have Mr. Rajendra Chopra, our Company Secretary. On the left of our screen, we have Mr. M. K. Hamied, the Vice Chairman of the Company and Chairman of the Corporate Social Responsibility Committee. Below Mr. Hamied, we have Ms. Samina Hamied. She is the Executive Vice Chairperson of the Company and the Chairperson of the Investment and Risk Management Committee. Below her, we have Dr. Peter Mugenyi, he is an Independent Director. Next to him, we have Mr. P. R. Ramesh. He is an Independent Director and has joined us very recently. Next to him, we have Mr. Robert Stewart. He is also an Independent Director who has joined us recently. Next to Mr. Stewart, we have Mr. Radhakrishnan who is a Non-Executive Director of the Company.

We also have with us today, Mr. Ashish Gupta who represents Walker Chandiok & Company, our Statutory Auditors. We have Mr. B. Narasimhan, Practicing Company Secretary and the Secretarial Auditor and Scrutinizer for the purpose of voting results at our AGM. We have with us Mr. Zaveri, the Cost Auditor and also Mr. Bhargav, our Assurance Reviewer. As we today have the requisite quorum present through video conferencing to conduct the proceedings of the meeting, the quorum being present, I call this meeting to order and request Mr. Rajendra Chopra to make the statutory announcement. Over to you, Rajendra.

**Moderator:**

Mr. Chopra, I request you to kindly unmute your audio and go ahead, please.

**Rajendra Chopra:**

Thank you Chairman. Good afternoon dear shareholders. This meeting is being conducted in accordance with the provisions of the Company's Act 2013 and the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The integrated report containing the board report, the auditor's report, financial statement, and other reports along with the notice of this meeting have already been sent to the shareholders at their registered email address. I hope you all have received the annual report. With your permission, I take them as read.

Since there are no qualifications, observations, comments or remarks in the statutory auditors and the secretarial auditor's report, I take the liberty to consider them as read in the interest of the time.

In order to enable the shareholders to vote on the resolutions proposed in the notice of AGM, we have provided e-voting facility through NSDL platform. The remote e-voting commenced at 9 a.m. on Saturday 21<sup>st</sup> August 2021 and ended at 5 p.m. on Tuesday 24<sup>th</sup> August 2021. The voting rights were reckoned on the shares held as on the cut-off date that is 18<sup>th</sup> August 2021.

Since shareholders are provided with the e-voting facility, there will be no voting by the show of hands at the meeting as per the statutory provisions. In case, the shareholders have not exercised their voting right through e-voting facility, I request them to do so now while watching the AGM proceedings. Voting will remain open up to 30 minutes from the conclusion of this meeting. The statutory documents and the reports as are required to be placed at the AGM are open for inspection electronically. The shareholders who wish to inspect the document may write to us at [cipla.agm@cipla.com](mailto:cipla.agm@cipla.com) and we will facilitate the inspection.

May I now invite our Chairman, Dr. Y. K. Hamied to address the shareholders and deliver his speech. Over to you, Chairman.

**Dr. Y. K. Hamied:**

Ladies and gentlemen, welcome to the 85<sup>th</sup> AGM of your Company. Once again, we meet in a virtual setting. The impact of the COVID pandemic continues to remain unabated and I would urge all of you to safeguard yourselves as best possible. Hopefully, with vaccinations increasing, there will be a better safety profile for all of us within India and internationally. All of you received by email a copy of Cipla's annual report for the year ended 31<sup>st</sup> March 2021. This report includes details of our financial performance, management discussions and analysis, business strategy, technical operations, human relations, corporate social responsibility, environmental practices, and overall Company governance. With your permission, I take the report as read. This is the fourth consecutive year in which we have presented a fully integrated annual report.

Over the past 18 months, many industries and their allied economies had dramatically suffered due to the COVID crisis. Despite the multiple obstacles faced during the year, Cipla has stood firm with its manufacturing, marketing and above all its production. I would like to acknowledge and applaud the selfless spirit and service by all employees of the Company. Everyone at Cipla has done their very best to cope with the situation and work diligently to serve the community. Our manufacturing facilities, R&D teams, and marketing personnel continue to be operational to ensure continuous supply of medications to patients both in India and abroad. You will be glad to know that Cipla has once again been at the forefront in fighting pandemics. Over 20 years ago, we took up the challenge of HIV and AIDs, then the challenge of bird and swine flu and now the challenge of the COVID pandemic. I would like to say a special word of thanks to all the doctors, nurses, and the country's healthcare ecosystem who are also helping to fight the pandemic on a long-term basis.

Your Company continues to provide a wide range of essential medications to combat COVID and other major ailments. Within India, Cipla has partnered with several international companies who have major products in their portfolio to combat COVID. We have partnered with Roche for Tocilizumab and their antibody cocktail containing Casirivimab and Imdevimab, we have Lilly for their drug Baricitinib, Merck for their new drug, Molnupiravir and Gilead for their drug Remdesivir. Apart from this, Cipla has partnered with CSIR Laboratories, ICMR, Indian Institute of Science, Education and Research (IISER) and many private organizations such as KARWA, etc., again for providing critical medications and also critical diagnostics to cover COVID.

Ladies and gentlemen, during the year under review, there have been many significant product launches by Cipla resulting in sustained growth and progress in our key markets, India, South Africa, and the USA. The manufacturing operations at all our factories have continued to demonstrate a high degree of efficiency and has helped to maintain our production and supply chain operations with cost optimization even during this pandemic period.

We remain the third largest pharma Company not only in India, but also in South Africa. In the USA, we have had many promising opportunities particularly in the field of respiratory drugs. An unmatched presence across the care spectrum and a range of drug devices combinations has established Cipla's position as a world leader in respiratory medicine and we are very proud of this as we are the leaders not only in India, but in many key emerging markets. We are the second largest producer of inhaled therapy products globally and are confident to become world leaders in respiratory in due

course. Our portfolio is being continuously strengthened across multiple areas, dry powder and metered dose inhalers, nebulisers, nasal sprays along with newer devices.

Cipla is committed to combat antimicrobial resistance, AMR and promoting innovation for drug repurposing, repositioning, newer delivery and device systems and improved antibiotic combinations.

We have expanded our leadership role by providing medications. The Cipla foundation along with some of its partners has conducted free testing for COVID apart from supporting many healthcare institutions. Our Cipla foundation had provided oxygen machines and oxygen concentrators to various medical centers and hospitals. They have also served children and caretakers in pediatric wards such as at the Wadia Hospital here in Bombay and we continue our humanitarian care in serving patients at the Cipla Palliative Care Center in Pune. We strongly believe in a compassionate approach to healthcare and the belief that none should be denied medication. This has been the guiding force of your Company for the past 8 decades. To commemorate our history of 85 years and to highlight our mission of access to affordable medicines, Cipla recently launched a book, "Caring for Life, the Cipla story since 1935". Hopefully, some of you will get an opportunity to see this book and read it as well.

Finally, I take this opportunity to express my sincere gratitude to all my colleagues on the Cipla board and the management council for their continued support to the Company. I wish to thank the entire Cipla family both past and present for their services to bring Cipla to its current leadership position in the pharma industry. Our thanks to all our stakeholders, medical profession, customers, suppliers, partners, vendors, associates and all our shareholders for their continued support and ongoing trust in the Company as we continue our forward March. Many thanks to all of you for being present here today. Thank you.

I would now request Mr. Umang Vohra, our Cipla MD and Global CEO to brief you on the operations and performance of the Company and thereafter for Mr. Rajendra Chopra to take up the statutory items as proposed in the notice of the AGM and other matters. Mr. Umang Vohra, the floor is yours.

**Umang Vohra:**

Thank you very much Mr. Chairman and thank you for acknowledging the support that we have received from all the employees, our business partners, and vendors. I am very happy with the opportunity to talk to each one of our shareholders today. So, I have a small presentation that is prepared.

So, I would like to start with this because the Chairman in his speech has also mentioned this, we have a legacy of 85 years of supporting care and when we began to look inside into what are the compliments that make us come alive and there is a crisis, what are the compliments of Cipla that when we come to the forefront, the first is our people and I would like to thank today each one of our 25,000, the strength of Cipla is the strength of each one of those people and it is because of their undying commitment to work, the fact that they came to our factories, to our depots, to our labs, even when the country was in shutdown is why we have been able to achieve and come out of adversity and provide so much to the society in the last one year. We are trying to reinforce the working of this combination of people whether we were doing it remotely, virtually, or otherwise and I think the reason why we take this as a Company is just the fact that we have this foundation of Caring for Life. It is purpose-led and we are trying to make it future-fit as we go through the next couple of years. So, we have also launched this as the Chairman mentioned the Caring for Life Cipla story and in it our captures of about how it reacted to other crises in the past, so I think this was one such crisis where the entire Cipla came together and it was a Caring for Life spirit that drove us to create more benefit for the society. We took a lot of care to make sure that every employee who is coming to our facilities, every employee who showed up for work had adequate protection and safety in terms of their working environment, is also supporting every family during the COVID period. Some of our Cipla family today is not with us and the Company has taken steps to look after the families that they have left behind. So, with that if I can move to the next slide, please.

So, we have come out with comprehensive range of portfolio. We came out with almost every drug, every medicine that was required to treat COVID and we came out with most of these within the first 3 to 6 months of the pandemic. Some of these were opportunities for licensing and partnering with the multinational corporations, but a lot of them were our own products. A lot of them were products that came out of our labs and a lot of them were opportunities that we tried to ensure work available in time for the public at large. We also made a foray into testing this year and we have tried to create a huge number of antibody and antigen tests that can help all of us as we begin to battle this pandemic. So, just the sheer of force of what was coming in terms of requirements by the markets, these were the new medicines we launched, but even the older medicines that were required by the society went through demands of upwards of 300% to 400% for some product categories and our teams have worked round the clock to find more facilities where we could not do in our own and tried to partner as many pharmaceutical companies in India to cater to this surge demand. So, the results of all of Cipla coming together, all of our ecosystem that Cipla touches

coming together is the result of what we have been able to achieve in the last one year.

I am proud of the fact that despite what Cipla did, that is the Cipla Foundation has actually created a huge impact and we have been able to impact testing, to pediatric facilities, we have been able to create pulmonary rehabilitation clinics as well as support patients who needed medicines which were very expensive and all of this has been made possible with the undying commitment of the Cipla Foundation and the Cipla Foundation was very visible during the entire pandemic. In fact, our palliative care operations continued for a very long period as the pandemic unfolded and all of this is made possible again with the commitment that each one of the employees in the Foundation and in Cipla at large.

In the last 2 years, Cipla has been examining the ability to do more for the climate, to avoid crises that we go through, to be able to make sure that we avert new pandemics and to make sure that we lead the planet much better than it was earlier and as a result of this, we have after a sustainability commitment, we have come out with pretty stringent goals and our objectives to be carbon neutral, water neutral, zero waste to landfill by 2025. We are also going to be dialing up the wellbeing of employees and this include mental health, we are going to dive up chemistry initiatives around the green nature as well as making sure that we steward and help the society deal with antimicrobial research. All of these are goals that Cipla has taken to make sure that the planet stays healthy that we avert disasters of the future and we are very proud of this commitment that we have made. We go to our next slide, please.

I am very happy to report that as a result of all the initiatives that we have been putting in place over the last couple of years and in particular in the last year when we had so much of adversity, Cipla has taken this as a gift and a gift of an opportunity to serve so many people and many people say that when you focus on your patients, your numbers automatically follow. I think our numbers as given in this slide have shown very respectable growth, but what I state true to Cipla is just the commitment to serve so many people and in fact so many families that needed this care. So, I am happy to report the financial performance of the Company as you can see our revenue has grown by 12% last year with the cumulative 7% CAGR and you can see that our profit after tax and PAT margins have also grown up significantly. In fact, if you were to look broadly at our profit after tax in all those 4 to 5 years, we have almost doubled it. So, very proud of this and trying to support all our vendors, partners, associates as well as the shareholders in allowing us to make this happen and of course we are well advised by the Board and management council supports me tremendously in making sure that Cipla can reach newer heights as we go ahead.

I would like to give my priorities for next year.

The first of course is growth. We are coming off very significant year which had a lot of COVID revenues. We are trying to make sure that we can grow this even further and I think growth across all our markets and industry beating growth becomes our top priority.

The second is our compliance framework. We want to make sure that all our facilities always produce the type of quality that we demand with them and that is the priority number 2 for us.

The third is our main product engine. We believe we have significant firepower in our R&D and I think a lot of that will unlock in the next 1 to 2 years and we are focusing a lot of time and attention to that. Included in that is our ability to unlock the potential of our lung leadership and wellness franchise.

If we go to the point number 4, priority 4 is really about reimagining our footprint. It is about reimagining what the world of tomorrow will look like 5 years or 7 years later and about putting the efforts in today to make sure that we will not be left behind as technology begins to change the world and this is what we call the reimagining of our manufacturing operations and finally we can't do all of this without people and that is our priority.

So top priority for us to get new talent. Talent comes in works to Cipla and sometimes it leaves Cipla, but it makes the industry that it goes to a lot more beneficial, so we view our role as more of a talent factory. We are trying to grow more talent for the industry and also for our organization and of course we are investing and today also, we will shortly be announcing that we are trying to create new engines for growth, engines that are probably showing what the pharma market is likely to be in 4 to 5 years and you will begin to see that we are creating a new engine and creating multiple engines and reactors for growth in the years ahead. So, with that if we can go to the last slide please.

With that, we come to the end of this presentation. For any queries, I, or the team at Cipla will be very happy to answer, any queries that you have may be later on the presentation. After this, I will hand it over back to Rajendra. Rajendra, over to you please.

**Rajendra Chopra:**

Thank you Umang. I will now brief you on the various resolutions which we have proposed in the notice of the AGM.



Once I finish the customary process of briefing the resolutions, we will invite the members who have registered their name to ask questions or seek clarification from the management, statutory auditor, or the secretarial auditors. Shareholders may note that since this meeting is being held through video conference and the resolutions provided in the notice have already been put to vote through e-voting, there will be no proposing and seconding for the resolutions. I now take up the resolution one by one.

- Item #1&2 of the notice have been proposed as an ordinary resolution for adoption of audited standalone and consolidated financial statements of the Company and the report of the Board of Directors and auditors thereon. The auditors have issued an unmodified report on the financial statements and have confirmed that the financial statement represent a true and fair view of the state of affairs of the Company. The Board has recommended this financial statement for adoption by the members.
- Item #3 of the notice has been proposed as an ordinary resolution for declaration of dividend. The Board has recommended a final dividend of Rs. 5 per equity share for the financial year ended 31<sup>st</sup> March 2021. Upon approval, the Company will endeavour to pay the dividend within 7 working days from the date of declaration, but not later than 30 days from the date of this annual general meeting.
- Item #4 of the notice has been proposed as an ordinary resolution for reappointment of the statutory auditor of the Company. Considering the past performance, experience and expertise and based on the recommendation of the Audit Committee, the board has recommended the reappointment of M/s Walker Chandiok & Company LLP as the Statutory Auditor of the Company for second term of 5 years, that is to hold office from the conclusion of this AGM till the conclusion of 90<sup>th</sup> AGM. The remuneration to the auditors for financial year 2021-22 will be Rs. 1.56 crores plus applicable taxes and reimbursement of out-of-pocket expenses for subsequent years during the term of appointment, the remuneration will be decided by the Board on the recommendation of the Audit Committee.
- Item #5 of the notice has been proposed as a special resolution for reappointment of Mr. M. K. Hamied as Director, liable to retire by rotation. As per the provisions of SEBI listing regulations, since the age of Mr. Hamied is above 75 years, his reappointment has been proposed to be approved by way of special resolution. Beside Mr. M. K. Hamied, Dr. Y. K. Hamied and Mrs. Samina Hamied are interested in this resolution. Considering the rich and varied experience of Mr. M. K. Hamied and his contribution to the organization and in view of the positive performance evaluation report and based on the recommendation of the Nomination and Remuneration Committee,

the Board has recommended the reappointment of Mr. M. K. Hamied as a Director liable to retire by rotation.

- Item #6 has been proposed as an ordinary resolution for appointment of Mr. Robert Stewart as an Independent Director. Mr. Robert brings rich experience of over 34 years in biopharmaceutical industry and expertise in manufacturing commercial operation, quality, supply chain and general management. In view of its rich and varied experience and on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the appointment of Mr. Robert Stewart as an Independent Director for a period of 5 years with effect from 14<sup>th</sup> May 2021.
- Item #7 has been proposed as an ordinary resolution for appointment of Mr. P. R. Ramesh as an Independent Director. Mr. P. R. Ramesh was the Chairman of Deloitte, India and served on the Deloitte Global Board and Deloitte Asia Pacific Board before his retirement in March 2020. He has over 40 years of experience in the field of audit, accounts, risk management, general management etc. In view of his rich and varied experience and on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the reappointment of Mr. P. R. Ramesh as an Independent Director for a period of 5 years, effective 1<sup>st</sup> July 2021.
- Item #8 has been proposed as an ordinary resolution for reappointment of Mr. Umang Vohra as Managing Director and Global Chief Executive Officer. Under Mr. Umang Vohra's leadership, the Company has performed well in last 5 years with financial metrics including EBITDA margin, return on capital employed and balance sheet helped improving significantly. Under his leadership, the business has been consistently witnessing growth especially in home market that is India, South Africa, and North America. The term of reappointment and remuneration payable to Mr. Umang Vohra has been provided in detail in the explanatory statement to the notice of the annual general meeting. Considering his significant contribution to the organization and in view of his excellent performance on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the reappointment of Mr. Umang Vohra as Managing Director and Global Chief Executive Officer of the Company for a period of 5 years, effective 1<sup>st</sup> April 2021.
- Item #9 of the notice has been proposed as an ordinary resolution and pertains to the ratification of remuneration of the Cost Auditor for the financial year 2021-22. The Board on the recommendation of the Audit Committee has approved the remuneration of Rs. 11,75,000 plus applicable taxes and out-of-pocket expenses as remuneration to Mr. Zaveri, the Cost Auditor. As per the provisions of the Company's Act, since the remuneration approved by the Board

for the cost auditor is required to be ratified by the members of the Company, the Board has recommended the ratification of remuneration of the cost auditor for approval of the shareholder.

We will now invite the members who have registered themselves to ask any question or share their views with the management. We have received 18 requests from the members who want to speak at the AGM. They will be unmuted and will be allowed to ask questions when called upon by the moderator. We will reply to all the questions and queries in one go. In the interest of time, I sincerely request all the shareholders to keep their question and comment in brief and not to repeat the question which has already been asked by the fellow members. I also request the shareholders to not to take more than 2 minutes. This is to ensure that other members also get an opportunity to ask questions.

May I now request the moderator to please invite the shareholders one by one. Over to you, moderator.

**Moderator:** Thank you so much, sir. We will now begin the question-and-answer session. We now invite the first speaker shareholder, Lekha Shah. Mam, you may go ahead with your question, please.

**Lekha Shah:** Respected Chairman sir, Board of Directors, and my fellow members, good afternoon to all of you, myself, Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary, Mr. Rajendra Chopraji for extending very good investor services and also sending me the AGM notice by email well in time in such a difficult situation which is full of knowledge, facts, and figures in place, so I am very grateful to our Company Secretary Rajendra Chopraji. Sir, times are tough and unpredictable currently, I am sure that our Company has ability deliver the growth and increase the shareholder's value, the Company has been demonstrated this year. I would thank all person of Company for receiving awards and recognition for various during 2021 and also, I am happy that Company is doing very well in the field of CSR activities. Sir, I am happy to see all the good deeds you have done during this tough time. I pray to God that he always shower his blessings upon you. Sir, I am confident that with your vision and determination, you will lead our Company to greater height and also, I pray to God our Company should progress more and more under you and your team sir. Thank you, Chairman sir, and Umang Ji for such an informative and wonderful information. Sir, I would like to ask few questions. My first question is, what steps are taken by the management impact on the business income and the business operations due to COVID-19 and steps are post starting the COVID-19 pandemic? My second question is, what is the CAPEX plan management for the next 2 years? My third question is, how many project are in R&D pipeline and is R&D department working on

any COVID related medicine? My fourth question is, how is the Company operating? Our employees are working from home or they are working from the office? My fifth question is, all our Company employees vaccinated against COVID-19? What is the road map over the two years? So, I would like to say I strongly propose all the resolutions for today's meeting and my best wishes always our Company and its prosperity. Thank you, sir.

**Dr. Y. K. Hamied:** Thank you Lekha.

**Moderator:** Thank you. We now invite the next speaker shareholder, Mr. Dinesh Bhatia. Sir, you may please proceed with your question.

**Dinesh Bhatia:** I congratulate Chairman and all his team for creating profit at this pandemic time. The CSR activity the Company is doing is really good. Not only for profit but the CSR activity for donation and all other social activities are really good. I hope the Company continue like this and prosper. In page #24 of Annual Report, the awards mentioned, for that also I congratulate the entire team. One request is, our EPS, is Rs. 30.61 per share, it is showing good sign, my only suggestion is if possible, make our Rs. 2 shares to Rs. 1, so our share will become double and the volume will increase and more quantity will come for trading, liquidity will increase and the value will increase. Now everybody is expecting, the value if we see today is Rs. 913, the Rs. 2 share is now quoting at Rs. 913, our lowest was Rs. 701, the Rs. 2 share and now it is Rs. 913 and highest is Rs. 997, means our stock is quoting high value and showing there is growth in the higher side, that is why the value is increasing. I again request you one time to split the share of Rs. 2 to Rs. 1 each give us bonus, take some action towards that. All board members are present, so please think about it and go forward. I support you in all the resolution. Thank you very much for giving me the chance to speak.

**Moderator:** Thank you so much. We now invite the next speaker shareholder Mr. Arun Boppana. Sir, you may please proceed with your question.

**Arun Boppana:** Good afternoon to everybody. Very happy to see you sir, Dr. Y. K. Hamied after so many days. How are you? Thanks to Mr. Rajendra Chopra, a seamless VC, he is always very kind and very cooperative and compliments to Cipla sir. Cipla overcame many patent process, never being stingy with R&D, giving relief to the core of India with affordable generated drugs in India. No other pharma Company in the world has done so much as Cipla. I compliment the Cipla promoters, the management from the bottom of my heart. My question Chairman sir, what is your opinion on the novel drug, transdermal drug delivery system through skin patches for cancer, as palliative therapy, and Alzheimer also because it is used in the young stage as a palliative therapy and you do have palliative clinic in core of cancer. I believe I can help in this

Chairman sir, if you and Mr. Umang sir, blessed, I can connect the Indo-Japanese Transdermal Company to take it forward and I hope you will advise your M&A team to take it forward and I can help in licensing or JV route. Sir, the US holds the top spot in innovation, China is to continue its dominance in raw material, will Cipla change this narrative? Sir, the last years we had 12% CAGR in pharma industry, the next 10 years you have projected with 24% CAGR, where can I see Cipla? In conclusion sir, in a lighter moment Hamied bhai, after all the tech innovations and scientific advancements, human do rule on the planet will be known only when they respect and dialogue with the animal world. I wish Cipla all the best, Thank you very much. God bless you.

**Dr. Y. K. Hamied:** Thank you Arun.

**Moderator:** Thank you so much. The next speaker shareholder is connected with us on audio. May I request HS Patel to go ahead with the question, please.

**HS Patel:** Respected Chairman, Mr. Y. K. Hamied; Mr. Kedar Upadhye, our CFO; our most favorable, Mr. Umang Vohra, the MD and Global CEO of our Company, and ladies on the Board and our most favorite Mr. Rajendra Chopra, the Company Secretary, I feel very much thankful to Mr. Upadhye, the Global CFO who has given a very good report which is very informative and very good financial figure and I am also thankful to Mr. Rajendra Chopra who is always very helpful, humble and very informative, always ready to help us. Here, I would like to add another name, Siddharth Jain who has been very helpful in this crucial two to three days to help me out with the annual report, any problem would be solved. I support all your resolutions. Cipla has been a very leading pharmaceutical Company, Caring for Life and Caring for People, people first. I congratulate Cipla for completing 85 years of the long tenure in India with medicines and medical facilities, for the people at large, 17th August if I am not mistaken, on the journey from 1935, 85 years it is the anniversary and I congratulate the Company and the Board of Directors and all the employees, all the very best to all for giving us a very good financial result on this occasion of this anniversary. I also have come across very important point that in KBC your question about Cipla and of course one minute, I would like to read that, the question reads that "About Which Pharmaceutical Leader has been said in Africa, Cipla is a Temple and Dr. \_\_\_\_\_ is a God", of course, who else can be than our doctor, Yusuf Hamied? Congratulation to you Chairman sir, and I was really very happy to hear your name and to hear this question of Cipla being directed in the KBC. On this 85<sup>th</sup> AGM, you have given us a dividend of Rs. 5, today the share price is quoted is 914. So one small point I would like to point here is it is almost 15 years that you have given us a bonus, last one I think April 2006, 3:2, so in this COVID crucial time though your medical services has been very good, it would be

much better if you would help us with a little bonus, it will be a feather in our cap, very much needed for all, everybody, especially the shareholders. It has been 15 years that we have been waiting for it, the results are excellent, financial results are just superb or it has crossed all the figures, your cash and cash balance has been over flooding, bank balance is increasing by leaps and bounds, although cash is needed your first quarter results are also very good, ROCE is 17%, net sales 5500, market cap is almost 72,437 and revenue is flooding with 77,397, sir, on this occasion we really expected a bonus from you and you have given us only a dividend of Rs. 5. I did not expect so much stinginess from the Company. I would say that Mr. Umang Vohraji and Kedar Upadhye is the Finance Ministry, so please you have to even think of the shareholders and also of your innumerable employees who have worked hard in this COVID time to come up and give the good results and keep on working in this crucial COVID time. I have put up few questions, Sir, how many patents have been submitted this year and how many patents are still pending to be yet given approval, if you can throw some light on it and the R&D expenses is almost 924 crores, can you throw light on this and you have some new products, which were going to come out? Sir, your strategy, Caring for Life, medicines you are making is quite good, but sir, I would rather put it in this way, not that I am old fashioned or anything, I am also very modern in my views but sir, socially in India our Mother Earth India is flooded with innumerable herbs and plants why use so much of chemicals in making medicines, why not go for a natural ingredients that we have tulsi, haldi, ginger, innumerable products, so it would be better if you come out with a product like ginger and honey which is very useful in COVID time, very useful for lung disease, come out with such medicines, chemicals, all Company is making chemicals and how much chemical is going in the body of the people, why do that, why not come out with natural things, our earth is full of natural things products. I really suggest this and I am you're your R&D department will think about it and you are being a very senior most Mr. Y. K. Hamied sir, please do implement natural products in your medicines rather than make more use of artificial ones. Chemicals are harmful for the body, pain release will be there but it has causes harmful effects, bitter gourd for the diabetic people, these products are there, why not make use of it rather than making use of chemicals. My other question sir, can you name a single product in which supply we are the market leader, how do you propose to utilize this over flooding of your bank balance and your cash balance, how you are going to utilize it since you have not said anything about the bonus which we were expecting this year? What are your CAPEX plans for next 2 years? And I think that is all. I wish the Company all the very best and I hope my questions are answered. I am really suggesting these good things for the benefit of everybody. Please do make use of the green things, greenery, we go for greenery, are we really implementing this in our medicines, all the very best and I am very, see bonus, hike, good salary, all the benefits are given to the

top management and middle management, what about the low line people who have worked in the heavy monsoon in the heavy summer they have come and they have kept the Company going on 24/7, all the products were available at Cipla, we should think about these people also, they are the main people you have to think of. I am sure their salary are not, in any companies top management, the Board of Directors have reduced their salary, half salary they are taking, are we implementing such quality in our Cipla. We should also be good even with our bottomline people also, who are working hard to keep the Company running. Also, very best to all of you, wish everybody the best and hope Cipla will come up. I once again congratulate on the 85<sup>th</sup> anniversary of the Company. Thank you, sir.

**Moderator:**

Thank you so much. We now invite the next speaker shareholder, Kaushik Shahukar. Sir, you may please go ahead with your question. While we are checking the connection for Mr. Kaushik, we move onto the next speaker shareholder, Mr. Santosh Kumar Saraf. Sir, you may please go ahead with your question.

**Santosh Kumar Saraf:**

Respected Chairman and members and my shareholders brothers and sister those who are present through video conference, I am Santosh Kumar Saraf, I am speaking from Calcutta. My greetings to all. Wish all our members be safe and healthy during this COVID time. I also would like to pay respect to those who are not with us today. I pray to God, may their soul rest in peace and give their family members strength to carry forward. I have sent letter earlier itself. I have raised my questions in that. Sir, please tell which medicines are there in the pipelines on which projects we are working on right now. If we are working on COVID project so please let us know. If it is so till when the medicine of the COVID we will be able to launch please let us know about that. Sir, second thing is about rainwater harvesting. What steps are being taken towards that? Next is about the renewable energy, what steps are being taken? How are you planning to reduce the carbon footprint, how to reduce carbon, what steps are being taken? There are 21,000 employees, how many of them have taken vaccines? Not only permanent employees but also casual employees and their families, how many percent have taken vaccines? What steps taken towards empowerment of women? I think now is the time to empower women. I believe society gets prosper, home gets prosper and country also gets prosper, and our ordination also gets prosper and never think that women are weaker. They have set an example in Olympics and held our head high. They have lifted weight of 115 kg which we can't lift and won silver medal, and in boxing we got bronze metal so we are good in both and in hockey we were about to get bronze, so focus more on them and give them courage to go ahead, this is my request. And, I have mentioned most of the questions in written. Wish you all long life and hope the next financial year will be good for all. And would request you to continue



the video conference call meeting so that we can connect with you else we don't get a chance. And even if you have a physical meet as well so I have no issue but please continue with the video conference as well, so that rest of the shareholders from other part of the country can join and share their thoughts. Thank you for giving me time.

**Moderator:** Thank you so much. The next speaker shareholder Mr. Ashish Bansal is not available due to internet connectivity. The next speaker, shareholder, Mr. Bimal Kumar Agarwal is available on audio. You may go ahead with your question please.

**Bimal Kumar Agarwal:** Good afternoon to everyone. First of all, I thank the Company Security, and Chorus team also for given me all the details. I could come to the question, the Company has been posting strong top line and bottom-line number over the last few years, I seek your help to understand the factors that helped to contribute the growth. Please provide insight into R&D activities of the Company, particularly patent granted by our Company, also provide the detail of COVID manufacturing activities of the Company and what revenue growth one can expect over the next two to three years, that's all with me. Thank you very much.

**Moderator:** Thank you so much. We now invite the next speaker shareholder, Mr. Kapil Chopra. Sir you may please proceed with your question.

**Kapil Chopra:** Hello Dr. Y.K. Hamied and other respected Board of Directors and especially our MD Mr. Umang Vohra. Dr. Hamied, I've just read your book 'Cipla Care for Life'. And I must say, you must allow me to come and touch your feet someday with all my hearts. And it was really inspiring to learn that how you've done a humble beginning in a rented bungalow in Mumbai, and then I have seen photographs I've seen what kind of pain you and your Company have taken. Now coming back to the agenda. I must thank Company Secretary Mr. Chopra who have well organized this and Chorus call they have done really professional team. And I've attended 30 AGMs but this is one of the most professional.

I must say. Now coming back to the annual report, when you read an annual report on a Mac you have page turn. So, Mr. Chopra if you can just change the trend of how you have saved it. That would be really easy for the people who are using the Mac and secondly, the font size is really small, not a bigger one, but if you do it it's very easy and anybody can do this.

Now, coming back to the questions basically. Sir some of the questions are for Mr. Umang Vohra, third, and fourth wave come, where you see the Company standing at the end of this calendar year, if there won't be any third wave,



that is my first question. Now on 8 number, 20 of the annual report Umang Vohra in the PPT you have shown, can you put it on your website along with video. And on page number #18, #19, Ms. Samina has given her inspiring thoughts, so if you can explain this future of pharma in detail, they have written about that but, it is nothing what the Company is going to do and how the industry is going to grow in as per you going forward, where do you see Cipla in next five years if you can explain your thoughts and your vision about the Company that would be really helpful to us as a long term shareholder. On page number #44, there is a stakeholder engagement, now they have written that, so you're explained supply chain and other things, one of the best supply chain but a lot of online guys what I understand, 1mg, Netmeds and a few others the new people are not interested to sell the Cipla, our products maybe because of the supply, or because of the less margin. So, because of some of the products who are generic or there is no margins to them. So, what is our strategy to influence them and there are a few doctors in my family around four or five and they recommend Cipla brand but they are not available in Tier-IV cities. So, I request the board just to focus on this that some of our inhalers and others are easily available in the Tier-II and Tier-III cities, that would help us to grow Dr. Hamied, especially in the government sector sir, if we don't do (Inaudible) give your availability that Cipla (Inaudible). How many (Inaudible) this is one of the best in the segment. How many new products you have taken this year if Mr. Vohra can explain that and on page number #102 to #110, we have given we have given CSR initiatives basically if you can QSR committee it to be on that, that would be really helpful.

And coming back to the Q1 number. So, how do Cipla business would do in the post-COVID era. And there are two concerns after the doctor comment on U.S. business if you can explain that, on your Q1. If you can explain that what's happening on the ground, are you have distributors in your own Company. There was (Inaudible) which we have lost last year, sir as per the (Inaudible) report the high prices of inhalers of Cipla if you compared it with some (Inaudible), MetLife, Microlab, they are selling it very aggressively at a lower prices. And some of the new companies (Inaudible), FDC Limited and (Inaudible) are going to launch new just to compete with your (Inaudible) as per the market sources. Sir how at your level, we have been grown in the last two years, long term sustainability is possible by correct pricing and maintaining quality. If we can reduce our prices of inhalers, let it be available to the people on the ground and maintain same quality with aggressive focus on the distribution, let's focus on the volumes. I was just comparing yourself with Dr. Reddy, last five-year profit growth of a Sun Pharma is minus 10%, hence our profit growth was 12%, 12.87% in the last five years. Sun Pharma is getting a price revenue of 34 right now and we are getting a price revenue of (Inaudible). Say, profitability is growing, the price is commanding just see Dr.

Reddy, in the last five years their profit growth is negative 1%. How we can reiterate this thing, how we can create the new image in the market so that the Company get better price volumes despite demonstrating a good profit growth and sales volume, that is my last question, if you can explain that it will be really helpful.

**Moderator:**

Thank you so much. The next speaker shareholder, Mr. Gautam Tiwari is connected with us on audio. Sir your line is unmuted you may please go ahead. Thank you, sir. Shareholder are requested to limit their questions to 2 minutes please. You may go ahead sir.

**Gautam Tiwari:**

Good evening, to our Chairman, all our Directors, everyone from the well qualified and dignified Directors on Board, our team Cipla, and my fellow shareholders my name is Gautam Tiwari I am attending this meeting virtually. Sir, I'm very happy that you have reappointed our Director Mr. Umang Vohra who is a Global CEO of the Company for five years and he has been reappointed as Director, I'm sure he is going to take the Company to greater heights in the days to come. Moreover, another Resolution #5 which I liked, is the reappointment of Mr. Y.K. Hamied who is the Director with us and his experience and his expertise is going to help as it has been helping the Company in long time or to take Company or progress to greater and greater heights. So, here I would like to specially thank our MD and our and our CFO for the excellent performance during the year despite the limits of this Corona limits. For which we are very happy and we wish that we are going to get the same levels of report from them. For my knowledge appreciation, I have got one small questions to know from your end, one more thing sir, I support all the resolutions and voting in favor of them, and also I support all the appointments and reappointments of the Directors on Board. Sir, small queries which I have got is that, how much our Company spend for R&D during the year under consideration. What is the percentage of products under price controls now, and which of our top brands contribute to more than 50% of its sales volume now. Sir, this year, although Company takes too much care about the shareholders, so how much dividend shares were transferred to Investor Education and Protection Fund this time. And what is our capacity utilization and how are we going to improve our strategically in the years to come. So, our annual report is very good, secretarial team has worked really hard and meticulously to prepare such a good elaborative annual report. This is colorful, informative, well designed and it sticks to all norms of corporate governance. And based your investors service we are getting year-on-year smilingly politely from our Secretarial and other departments for which we are thankful to you and selecting such a good team for us. Sir, even, I would like to state that Chorus is also performing very good and they have been supporting us like anything to attend this virtual meeting for which we're thankful to you for selecting such a good Chorus team

especially Udit and all other associates who are giving the best of the service. Sir here, I would like to mention one thing, that whenever you want to contact someone from secretarial team we are not getting any reply from their end, so we should get some proper contact numbers in order to be able to contact them in case of emergencies, or when we want to have some information. Cipla Company, we have been attached with Cipla Company for more than 5 decades and I am very happy that Cipla Company has rewarded the shareholders so meticulously, so nicely in terms of bonus, dividends, and everything that it can do. And price appreciation also, that we have become much more richer and richer day-by-day along with the progress and health of the Company. Sir, I wish you a very, very happy and long happy life. And a very, very healthy, very safe and protect to life and a brighter and shine future in the days to come. Once again, I wish you all the best and accompany all the best and conclude my speech here with all the best of the teams to come. Hope we will get to, I would like to know how many casualty we had in our Company and how many people are still active cases in our Company now and how many are working from home and how many from office, that's all. I wish you all a very bright and shining future with all those, those who are connected with us in the days to come. And I wish you once again all the best and progressive work ahead. Thank you very much sir, Jai Hind, Jai Bharat.

**Moderator:** Thank you so much. The next speaker shareholder Sanjog Saraf is not connected with us. We move on to the next speaker shareholder Manoj Kumar Gupta. You may please proceed with your question.

**Manoj Kumar Gupta:** Good afternoon respected Chairman, Board of Directors, hello shareholders. Respected Vice Chairman, MD. And I thanks to our Company Secretary and his team, and especially thanks to Chorus call team that has helped us to join this meeting through VC. And I thanks to you, our Chairman and his team for dividend of 250%. My first question is that have you any plan to split the shares from Rs.2 to Rs.1 to increase the market capitalization and liquidity in the market. Have you any plan to split the shares. Sir, I feel proud on you because yesterday I was watching the KBC 13 part and Amitabh Bachchan had asked a question yesterday, that in African countries Cipla is a temple who is God in that temple. Options were, Gupta of Lupin, Hamied from Cipla, Singh and Sanghvi from Sun Pharma. That lady told that Dr. Hamied is a god in that temple. So, you have done a lot of work for the African countries. So, you should repeat that work for the country in that and in fact this country also. And I salute you our beloved Chairman, I pray almighty god for his healthy and prosperous, safe long life. And I've joined this meeting through VC from Calcutta. And it's my pleasure to give you a bouquet when I will be Mumbai next, it's my pleasure to give you a bouquet on your great noble job for the community and society. And supply chain has never broken during the first phase of lockdown, because I run two hospitals in the City of Joy. And I find

that Cipla products were available in every corner, the asthma inhaler, and every products. Sir have you any plan to launch some immunity booster products, immunity booster because now the Corona needs immunity in the human man, so have you any plan to launch some immunity and donate some inhalers and other products in this region also, a short expiry products, if you can tell us if you can get such products to distribute in the needy person and sir try to launch some generic products and (Inaudible) should be in the country for middle class and AWS people. The last but not least I will again request you sir, give us time to give you a bouquet on our next visit to Mumbai to honor you, because you have done a lot of noble job for the people. Thank you sir.

**Moderator:** Thank you so much. We now invite the next speaker shareholder, Sharad Kumar Shah. You may please go ahead with your question.

**Sharad Kumar Shah:** Chairman sir good afternoon. I will just talk on your Chairman speech. First thing, this Novartis is our partner, which you had not mentioned here, you said opportunity. So, that going forward we will have opportunity, now I come to page number 107. And it is not only pharmaceutical Company but it is like a IT industry. The people are not using blockchain and we started using blockchain. People are only using AI, ML, Cloud, something and really, I'm happy that Cipla started using blockchain. So, our revenue is 19160 crore, which is around 8 to 10 times of MNC pharma. So, I would like to know what is our percentage of market share by revenue. Another thing, a very good thing is, this is the Company where these companies bringing 4000 crore foreign exchange to India which is not the revenue of so many companies and our (Inaudible) and which is in the balance sheet you say it is negative, I am very happy about this, cash flow is Rs.2856 crores and cash from operation is still higher, that is 3755 crores and we are spent cash 630 crores, people don't read annual report you have spent in R&D 924 crores, really good amount, not a single pharma Company is spending so much on R&D. Finance cost is reduced and it is equal to 161 crores other expenses are reduced and it is 600 crores it is energy consumption is also (Inaudible) and the result is this year is the best in last 10 years and maybe in last 85 years. The only thing is that our share price is not going to that extent compared to all MNC pharma companies even if you just see the five years old Company Laurus's price is very good. Another thing sir, we have got revenue from America is 20% which is around 4000 crores which is absolutely excellent and 704 persons are working in U.S.A. I would like to know sir whether we have got any operation from Boston or Seattle. Another thing is, (Inaudible) cost is our key product out of three key products, for asthma and today's need is a medic for (Inaudible). And our page number #131 and #140. All products on COVID, and even you say is basically because of the respiratory system and lungs are very important in today's life right now sir. And electricity you have won for open

access of one of the best thing, and our use of our energy supply 3.4 HSD, high speed diesel and 9% from furnace oil. And in one of our two plants, we started using gas for boiler replacing HSD and furnace oil, my request is that do it in all plants and stop use of HSD and furnace in all plants to have a clean environment in pharma plants and I will tell you, our priority is to remove excess oil. Solar comes next sir, and I have got now only last point sir, our employment cost is 3235 crores against PAT of 2405 crores, so our dividend of Rs.400 crores still in the PAT is above employment cost sir. And I like to know what is my book value sir that you have not put anywhere, and when I was referring, there I found one picture which is regarding covering of life and there in that picture nails are bigger, so that I thought to point it out, nails is must. Thank you very much for giving me opportunity to speak sir. Thank you.

**Moderator:** Thank you so much sir. The next speaker shareholder Aspi Bhesania is connected with us on audio. You may go ahead please.

**Aspi Bhesania:** Chairman sir, I am pleased to see you in good health. Congrats to entire management on excellent Q1 results in spite of COVID hurdles, in Q1 those increase in inventory of Rs.692 crore, any reason for that. Year-on-year inventory increased by 300 crore and receivables reduced by 400 crore for which I congratulate our CFO Mr. Upadhye. I hope it reduces the inventory also. Sir, new ventures is shown as a separate segment, what is this new ventures. Sir, Company Secretary requested to inform the speaker number to the shareholders, Chorus call informed us the speaker number, Chorus call is doing the job of the Company Secretary. Sir, thank you and all the best for the future.

**Moderator:** Thank you so much. We move on to the next speaker shareholder, Kirti Shah. You may please go ahead. Kirti Shah, your line is unmuted, you may please proceed. While we are checking the connectivity for Kirti Shah we move on to the next speaker shareholder Anil Parekh, you may please go ahead.

**Anil Parekh:** Chairman Mr. Yusuf, Samina and other Board Members, good evening to you all, and hope you are sound and safe at your respective end. I would like to add here that our Company Secretary, Mr. Rajendra Chopra, he is doing excellent work as far as investor relationship are concerned. And he's always available for any kind of help. And he's a great asset to this Company Cipla Limited. Sir, we all are passing through tough time and it is unpredictable that when virus will go and we can meet personally because we miss meeting you personally and giving you greetings. As rightly said by Manoj Gupta, that we want to present you a bouquet of flower. So, is me also sir. Sir in this challenging time, we have done exceeding well, revenue has grown up to 12%, net profit has jumped to 55%, excellent. Sir, many speakers have said many things and many questions was raised. So, I don't want to take your

much time, I would only ask a few questions where I'm interested. And the rest is available in the balance sheet. Sir our API segment globally, is constituting only 4%. So, I would like to have your views on API segment whether we can penetrate better globally or not. Sir, in emerging markets, we our largest player in Sri Lanka, Morocco, and Nepal. So, I would like to ask you here, which are other markets you're looking for as the emerging markets. In SAGA segment, that is South Africa and global access, we are doing excellent work and as rightly said by many speakers, that Mr. Yusuf is considered there as God. So, sir, why can't you do that for India also, by developing a vaccine, which can be used for multiple viruses, is it possible, sir. So, my humble request to you that if 10 viruses coming at a time, Cipla is there always available to develop one vaccine which can tackle all these 10 viruses, that strength we have sir otherwise, I don't have many questions to ask you. I'm thankful to Rajendra for allowing me and plus Chorus team also allowing me to witness this video conference. And thank you for patient hearing and I support all the resolutions. Thank you sir.

**Moderator:** Thank you so much. We now invite the next speaker shareholder, Harshil Parikh, you may please go ahead.

**Harshil Parikh:** Thank you so much for giving me an opportunity to speak at this AGM. Firstly, we are really very happy to see you Dr. Hamied sir, that you have such a great lively face and the atmosphere, aura besides you that makes our Company and the vision better and clearer. We hope we also have such a good physic mentally and physically in future. The profits are amazing, sir and the EBITDA has greatly increased, it was sitting around 9% and it has reached to around 12%, I just hope that this has to continue, because this shouldn't be a one timer and we might have to face challenges in future, we are investing very heavily in R&D. So, what are the outcome out of the R&D and what are the new discoveries and new inventions what we are planning in pharma segment, so that was the first question. Second question is, what are the plans of our Company to smaller pharma companies which are already doing greater in their segment and expand in such a way also there are two ways one is R&D cost and second is acquisition cost. Maybe we can even think for some smaller companies which we can explore and acquire. Thirdly, what are the plans of our Company to split or give bonus because it is some high time if we can expect some bonus out of the Company. And we are really happy that there have been a lot of CSR activities and in future also Company should progress and continue with the CSR activities which are done across the globe. Thank you so much, once again for giving me an opportunity to speak at this AGM. Thank you.

**Moderator:** Thank you so much. We have Mr. Kaushik connected with us now. Mr. Kaushik you may please go ahead with your question. Mr. Kaushik kindly go ahead

with your question please. Mr. Kaushik, this is the operator here, Am I audible?

Chairman sir this was the last question, the other members are not connected with us. Thank you all the speakers for your participation. The management will provide answers to your questions shortly.

Video plays on the screen

**Moderator:** Over to you Mr. Umang Vohra.

**Umang Vohra:** Yes, I'd like to thank all the shareholders for their questions. We will take them one by one and I will request Kedar Upadhye, who is the Chief Financial Officer also to please help me answer and address some of your queries. I'd like to start with Ms. Lekha Shah's question. The first question was around the what steps did we take to mitigate the impact of COVID from a business perspective, we have been able to have a very a agile supply chain team, we've done our best to make sure that there's a right balance between inventories as well as we ensure the safety of our workers as they came to the plant. So, that was one of the things that we had done. Kedar can you take the next question on the CAPEX plan for the year?

**Kedar Upadhye:** Yes, Umang would you complete your questions first?

**Umang Vohra:** Okay. So, I will complete and then you can take the questions after that. And then the second question you had asked, some questions which are not taking Upadhye will answer after I finish. The second one was on the employees who were operating from home and from office about 9% to 10% of our employees can work remotely all our manufacturing employees or employees of the field which is bulk of our employees are today working from the field and from the manufacturing locations, and other are offices in Mumbai, we do not have too many people coming in, we have agreed for a hybrid working model as of now. We have about 85% of our people vaccinated against COVID-19, over 85% of our employees have already taken one dose. So, this was the question largely, that from a business side that Lekha Shah had.

I go to Mr. Dinesh Bhatia he asked the next question and it goes around, your question was about stock split and I would like to say that our Board evaluates it routinely and we have taken your input and they will find out it.

The third question was with Mr. Boppana and Mr. Boppana's question was really more scientific around a normal drugs and transdermal drugs being the drugs that are used for Alzheimer's and Cancer. Mr. Boppana, I would like to inform you that the Company has had a alliance with a Japanese Company



itself for a batch that we were making for and a product for spasticity, which is a neurological condition. And that product is still progressing and we are progressing that over the pipeline. So, there is obviously some work that has happened with the transdermal patch. We are looking at this therapy and your next question was around innovation and where can we be in 10 years, I just like to tell you, we're exploring multiple product delivery forms. And we are also exploring bio-similar on a respiratory therapy. And we believe that between that and the pipeline that we have today, we have enough firepower in our arsenal to continue to further the growth of the Company.

The next couple of questions were from Hitokshi Patel and thank you for appreciating our team members and you had some questions on dividend. I can tell you that the Company will evaluate, the board of the organization will evaluate this. Your questions were how many patents we find and were granted, we were granted 23 and we filed 17 new patents. Your question was on R&D expenditure of 924 crores, I'd like to tell you that we have over 50 products in development today, which constitute that and please also remember that the large portion of the R&D spend you see almost 40% of that is the cost of our people who are working in our labs. The rest of it our product specific expenditure. We are spending a lot of capital on our respiratory franchise; we believe that we have a very solid chance of making sure that these products reach markets everywhere and it's in line with our vision of leadership. You asked several questions around the herbal therapies and what we've been able to do. We are actively looking at this, we're looking at the enhancing and boosting properties of herbal medicines of naturally occurring plant substances in India. And also at the same time I'd like to tell you that in our consumer health division, we have actually used herbal medication for our cough drops and in the form of cofsils, et cetera and they are selling quite significantly, as we go forward. A lot of our medicines also have herbal additions to it. You had asked for the CAPEX plans for next year which Mr. Kedar will answer when he takes your questions at the end.

Next question was from Santosh Kumar Saraf, you had lot of questions, one of it was how many products we have in the pipeline related to COVID and non-COVID. So, in COVID pipeline Dr. Hamied also said in his speech that we are developing a product in alliance with Merck and we are also working on inhaler products which we hope to launch next year which can be used for COVID respirator lung situation. Rest pipeline is also very strong and in that there are a lot of products which keep us at good potential, these products are going to be launched in United States and India. Your next question was regarding rainwater harvesting, we have mentioned a report in our annual report regarding natural capital it's around page #130, please check that. Then you had question on carbon intensity as well, so I would like to tell that we have a lot of plans for that, firstly major carbon intensity in pharmaceutical



manufacturing is more in the use of boiler, so we are changing most of our boilers which we have less use of it. Secondly, we have lot of initiatives in which the electricity which is used in plants are being used through solar, in Maharashtra we have the biggest factory in which we are using the highest solar energy, so we have many investments like these. In Bangalore also we have such kind of investment in which we are using solar, we think if we diversify the electricity source then our carbon intensity will reduce. Your another question was on vaccination, around 50% roughly have been vaccinated with dose 1. And you told about female employees empowerment, I would like to say that under the guidance of Samina we have a diversity council which focuses female employees but other diversity and inclusion criteria as well. I would like to also tell you that if you see in our management team then representation of female employees is quite significant including the management council and if you see the Board as well, there also our life gender diversity is good. So, our Company is doing a lot about it and our policies are also structured accordingly.

Mr. Bimal Agarwal, you had requested question on the contribution of growth by markets. I would like to, maybe Mr. Kedar will answer that but broadly 40% of our businesses in India, about 20% is in the U.S. and last year all these businesses have shown significant growth. You also asked the question on patents; I have already answered that we had about 23 patents granted and 17 filed.

I'll go to the question that Mr. Chopra had raised. There were several, there were some suggestions for the Company Secretary. And he will probably come back to you after the meeting about them. You had raised a question on the changing evolution of distributorship in India, where especially with the emergence of e-pharmacy chains. We have partnerships with these firms. They are part of the ecosystem that will change today they are about 10% or less than 10% of the market. We believe in India; these will reach about 20% in the next five to seven years. We have partnerships with them around our portfolio. You have raised questions on how many new products we have, we have 50 products that we are working on in R&D, we launched almost 40 products in India. So, that amount of pipeline is significant, your question was on the outlook of the business without COVID. Obviously COVID has resulted in a very significant uptake in quarter one. Some of this will moderate, but we also see that COVID will continue to stay endemic to our numbers and may not be with the same amount that we had in quarter one. But some amounts will always continue, you asked a question on inhaler pricing, I would just like to tell you that we are very competitive in our pricing, whether we compare it with Indian companies or with multinational organizations. And we always play the market responsibly to ensure that we are able to look after the quality aspects of each one of the products that we sell.

Mr. Gautam Tiwari, you had asked a question about how many people work from home and office, 9% of Cipla employees have the ability to work remotely. And most of them are doing that today. The rest of our manufacturing and marketing field staff, manufacturing across the world and marketing across the world are today on their fields. You asked about R&D, and I would just like to tell you that in terms of R&D, as I mentioned, there's a large number of products that we are potentially a lot of them are in the respiratory area, and almost 40% of what you see as R&D cost, are people cost of our scientists, Mr. Kedar will answer questions on the investor protection fund. And also you've asked for a percentage of products under price control. I believe that is roughly about 45% to 50% of our India revenue. And so that is it, that addresses your questions to Mr. Tiwari.

We will go to Mr. Manoj Kumar Gupta your questions were on these split shares plan at the board, the Company will evaluate your suggestion. There were also some questions on the genetic products. And I just like to tell you that our genetic business is very significant. We have a very large presence in Tier-II to Tier-VI and Cipla will continue to further the generic journey in these towns.

Mr. Sharad Kumar raised several questions and I was very happy to hear that you raised a question on blockchain. And we are trying to implement blockchain in our supply chain operations it's in our pilot phase. And that is very similar, it's significant you also mentioned that Novartis is a partner, it's a very significant partner, for us. And we acknowledge that the Chairman's address was more around the products that were launched in the last year for COVID. And that's why he had mentioned those products significantly in his address. You had asked about revenues from America and whether the operations are in Boston or Seattle. We do have a small presence in Boston. We are trying to see if we can create some operations there. In Seattle, we do not have any presence. You asked about respiratory products, you were concerned that COVID was a disease of the lung and why don't we have respiratory products. We have several products, for which we have been able to manage the inventory. They included budesonide, they included our Foracort inhalers and we have significantly address market need across. You had asked book value Mr. Kedar will answer that in the queries that he answers.

Mr. Aspi was next he asked a question on inventories and receivables, a large portion of the quarter one inventory. Mr. Aspi includes the antibody inventory that is for COVID and the Company has taken a strategy to bring this treatment to India. And that's why you see a bump up in the inventories.

Mr. Anil Parekh raised a question on API segment that your question was, with so many end why was it not higher. I would just like to mention that 4% is what you see externally reported. Internally, we buy our own API, and it is very significant to our operations. So, if I was to look at total formulation, product sales and trying to estimate what our API sales would be, I believe it would be significantly higher than 10%, 15% of our revenues. You asked for other markets in the emerging side of the world, Australia is a big upcoming market for us. Brazil is likely to be a big market and China is a market that we hope in four to five years will be very meaningful in the emerging markets. You had requested Dr. Hamied to look at the vaccine for multiple viruses in saga. We do not have a vaccine research program, but we are actively looking at how best we can help address the vaccine shortages across the world. Mr. Parekh, your questions were more around also on new delivery and innovation and I just want to mention that there is a significant amount that we are investing in e-delivery, in injectable delivery. And a lot of work is happening in exploring other forms of delivery as well. We've also widened our approach to diagnostics. We then had a question on M&A and the Company is active, evaluating M&A and its core markets of India and the U.S. And you also had a suggestion on split and bonus which our Board of the organization will examine. So, with that, I'm at the end of the questions that I had to answer. Maybe, I will request Shri Kedar Upadhye to take the rest of the questions.

**Kedar Upadhye:**

Thank you, Mr. Umang. Most of you have asked the questions on bonus and split of the shares and dividend Mr. Umang has already touched upon it. I would just like to point out that till 2018, the dividend was about 100% of face value. And in the latest year, after several increases, we have taken it to 250%. So, we are now giving Rs.5. Thank you.

I go one-by-one. Ms. Lekha Shah asked a question on the CAPEX plan for next two years, we intend to spend up to 900 crores. And as per the current plans, this will help the Company leverage on opportunities for growth across our global markets. We will also evaluate any investment which we need to do under the PLI scheme and any other select strategic opportunities in the future.

Dinesh Bhatia, asked again on the bonus share which has been answered by Mr. Umang. I go to Ms. Hitokshi Patel asked a question about again bonus and dividend which has been answered. You again asked a question on R&D expenditure; we have spent about 924 crores which is about a little less than 5% of total revenue. Our R&D spend includes regulatory filings, clinical trials, litigations, materials for batches, and product development. And we incur this for existing and pipeline products across all our global markets. Again, you ask the question on CAPEX, which I've already answered. You also ask the

question on the cash and bank balances. Firstly, thank you for acknowledging the good work done by us on this area. But our cash and bank balances are utilized in multiple ways. Firstly, the regular course of the business in terms of working capital and capital expenditure. There is some debt obligations still pending so some of that will get deployed to fund the debt and repayment borrowings. And obviously there are significant strategic opportunities available to us given that we are a Company in a growth phase.

Thank you. Moving to next, Mr. Kapil Chopra, gave a suggestion about the annual report and font size, et cetera. Thank you for that Mr. Chopra, and we will consider it positively. Moving next, Mr. Chopra again asked a question about building a better brand value and increasing the PE multiple. So, as a Company we do focus on improving the operating performance and build a very sustainable earnings trajectory. And that is reflected in our results as well and the valuations in the stock market and the multiples eventually will catch up if there is a shortfall that's our belief. You also asked a question on R&D, which I've already answered.

Mr. Gautam Tiwari spoke about, how much shares have been held by institutional investors as of the March end FIIs has held about 23% of the Company. There is also query on how much shares have been transferred to Investor Education and Protection Fund. About 36,856 shares have been transferred to this fund. There was also a request to share the contact number and email to reach the Company Secretary, all these details are available on the Company website. This is for your information that designated email id is [cosecretary@cipla.com](mailto:cosecretary@cipla.com).

Mr. Manoj Gupta spoke about the split which we have answered, Mr. Sharad Shah, spoke about the share price and linked it with the other MNC companies, et cetera. And I have also answered that, that our job is to focus on improving operating performance of the Company and build a strong sustainable earnings trajectory, which we have been working upon.

Aspi Bhesania asked a question on inventory which Mr. Umang touched upon. Whatever increase was linked to antibody cocktail, which is a very effective weapon against the fight for COVID. And we believe it will come handy. Thank you for recognizing the good work done by us on receivables and cash in last year as well as this year, and we will continue our efforts in that direction. I have responded to all the questions. I will request Rajendra to take it up from here on. Thank you.

**Dr. Y.K. Hamied:**

Thank you Kedar, thank you Umang. Well, we've completed the question-and-answer session and all the items of business, as per the notice of the 85<sup>th</sup> Annual General Meeting have been taken up. I now declare the proceedings

of the AGM as completed. As mentioned earlier, the remote e-voting facility is available to all shareholders for the next half an hour. The shareholders who have not yet voted, can proceed to vote by clicking the voting icon visible on the screen. On behalf of the board, Mr. Rajendra Chopra, the Company Secretary is authorized to receive the scrutinizers report, and to announce the results of the remote e-voting. The resolutions as said forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes.

As always, I'm grateful and my thanks to all the participants for attending today's AGM. Wishing all of you to be careful and stay safe during these uncertain times, and the times that lie ahead of us. Thank you, gentlemen, thanks everyone. Rajendra, this is yours.

**Rajendra Chopra:**

Thank you Chairman. Shareholders the voting is open now. Please, in case you haven't completed your voting, please complete the voting. Thank you.

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