



## “37<sup>th</sup> Annual General Meeting”

**August 4, 2022 at 11:30 AM IST**

Disclaimer: E&OE - This transcript is edited for factual errors.

### **CORPORATE PARTICIPANTS**

Shri Prakash M. Patil	Chairman, Managing Director & CEO
Shri Rashesh C. Gogri	Managing Director
Shri Harshit M. Savla	Joint Managing Director
Shri Harit P. Shah	Executive Director
Shri Uday M. Patil	Executive Director
Shri Narendra J. Salvi	Non-Executive Director
Shri Navin C. Shah	Independent Director
Shri Krishnacharya G. Akamanchi	Independent Director
Smt. Priti P. Savla	Independent Director
Shri Ankit V. Paleja	Independent Director
Shri Bhaskar N. Thorat	Independent Director
Smt. Neha R. Gada	Independent Director
Shri Adhish P. Patil	Chief Financial Officer
Shri Rushikesh V. Deole	Company Secretary

Statutory Auditors, Secretarial Auditors, Other Key executives and Senior Management

**Operator:**

Dear Shareholders, good morning and warm welcome to you all to the 37<sup>th</sup> Annual General Meeting of Aarti Drugs Limited through video conferencing or other audio visual facility.

As a reminder, for the smooth conduct of the Meeting, the Members will be on mute mode, and audio and video will be opened when they will speak at the AGM as per the pre-registration. Please note that, as per the requirements, the proceedings of the AGM will be recorded and available on the website of the Company.

Adhering to the circulars issued by Ministry of Corporate Affairs, the Company is vigilant and conducting this meeting through video conferencing. In this regard, let me state that;

1. Facility to join this meeting is made available on First come First Serve Basis,
2. To maintain the decorum and hassle free conduct of the meeting - All the members - who have joined this meeting, are put on Mute mode.
3. Those who have registered themselves as Speaker Shareholders – will be allowed to speak.
4. The Members can also communicate their Question through the Chat Box provided just below the Live Streaming Screen. Such members are requested to frame their question precisely. We will try to reply to all your questions at the end. Still if you need more clarification on a particular matter, you may write to the Company Secretary at the investor relation ID put on the Company's website.
5. The members are requested to use the internet with good speed to experience a seamless conduct of the Meeting. Due to any technical reason if you disconnect or lose the Internet connectivity - in that case please login again using the same

pathway.

6. In case of any technical issue, you may contact helpline numbers mentioned in the notice of the AGM.
7. The attendance of the members participating in the AGM through Video Conferencing shall be counted for the purpose of ascertaining the quorum.

I now hand over the proceedings to the Company Secretary, Shri Rushikesh Deole.

**Company Secretary:** Dear Shareholders, Chairman, Board Members and the Invitees,

Good Morning

I Rushikesh Deole, Company Secretary, welcome you all to the 37<sup>th</sup> Annual General Meeting of Aarti Drugs Limited.

In today's meeting; We have with us;

- i. Shri Prakash M. Patil, Chairman, Managing Director & CEO of the Company,
- ii. The Board Members,
- iii. Smt Priti Savla, Chairman of Stakeholders Relationship Committee,
- iv. Shri Navin Shah, Chairman of Audit Committee and Nomination & Remuneration Committee,
- v. Shri Milind Bhave, Representative of the Statutory Auditors, M/s Kirtane & Pandit,
- vi. CS Sunil Dedhia, Scrutinizer and the Secretarial Auditor,
- vii. Requisite Records and Registers are made available for inspection electronically. and
- viii. A requisite quorum, to begin with the proceedings of today's meeting,

I now request our Chairman to commence the proceedings of the Meeting.

**Chairman:**

Dear Shareholders, I, Prakash Patil, Chairman welcome you all to the 37<sup>th</sup> Annual General Meeting of your Company. This meeting is held through Video Conferencing and Other Audio Visual Means.

Notice of the AGM dated May 19, 2022 and the copy of Annual Report for the Financial year ended March 31, 2022 has already been circulated to the members of the Company electronically. With your permission I take them as read.

I would now like to request Chief Financial Officer to introduce the Board Members present.

**Chief Financial Officer:** Good Morning, Ladies and Gentlemen, I am Adhish Patil, CFO of the Company.

Before I introduce our Board Members, let me take this opportunity to introduce our Chairman Emeritus Shri Chandrakant Vallabhaji Gogri;

He is a visionary technocrat, a kind hearted social worker, promoter and founder Chairman of this Company and he continues to guide us on various matters.

Now I am introducing the Board Members.

**1. Shri Prakash M. Patil**

He is the Chairman, Managing Director and CEO of the Company and has been associated since inception of the Company's operations. He is a Chairman of Risk Management Committee and Finance & Investment Committee and also a Member of Audit Committee, Nomination & Remuneration Committee, CSR Committee of the Board.

## **2. Shri Rashesh C. Gogri**

He is the Managing Director and has been associated with the Company since 2012. He is a member of the Audit Committee, Risk Management Committee, Finance & Investment Committee and the CSR Committee of the Board.

## **3. Shri Harshit M. Savla**

He is the Joint Managing Director and has been associated with the Company since 1987. He is a member of Stakeholders Relationship Committee, Risk Management Committee, Finance & Investment Committee of the Board.

## **4. Shri Harit P. Shah**

He is the Executive Director and has been associated with the Company since 1995. He is a member of Stakeholders Relationship Committee, Risk Management Committee and Finance & Investment Committee of the Board.

## **5. Shri Uday M. Patil**

He is the Executive Director and has been associated with the Company since year 2000. He is a member of Finance & Investment Committee and Risk Management Committee of the Board.

## **6. Shri Narendra J. Salvi**

He has been appointed as non-executive Director from August 2020. He has over 35 years of experience in API Industry.

## **7. Shri Navin C. Shah**

He is an Independent Director and has been associated with the Company since 2010. He is practicing Chartered Accountant with more than 37 years of experience. He is a Chairman of Audit

Committee, Nomination & Remuneration Committee, CSR Committee and also a member of the Stakeholders Relationship Committee of the Board.

**8. Shri Krishnacharya G. Akamanchi**

He is an Independent Director and has been associated with the Company since 2008. He has retired as the professor of Pharmaceutical Technology from the Institute of Chemical Technology. He is a member of Risk Management Committee of the Board.

**9. Smt. Priti P. Savla**

She is an Independent Director and has been associated with the Company since 2014. She is practicing Chartered Accountant with over 20 years of Experience. She is a Chairman of Stakeholders Relationship Committee and member of Audit Committee and Nomination & Remuneration Committee.

**10. Shri Ankit V. Paleja**

He is an Independent Director and has been associated with the Company since October 2021. He is a lawyer with over 15 years of Experience. He is a member of the Audit Committee.

**11. Shri Bhaskar N. Thorat**

He has been appointed as an Independent Director of the Company w.e.f. May 2022 He is a Senior Professor of Chemical Engineering at Institute of Chemical Technology.

**12. Smt. Neha R. Gada**

She has been appointed as an Independent Director of the Company w.e.f. May 2022. She is a Practicing Chartered

Accountant and Insolvency Professional with over 20 years of experience.

Now I request Chairman to begin with formal address to the Members.

**Chairman's Speech:** Welcome to this 37<sup>th</sup> Annual General Meeting of Aarti Drugs Limited. On behalf of the Board, I thank you for joining us today. Your presence is indeed a true testimony to your involvement with, and support for the Company.

Firstly, I would like to wish you all to be in good health and to stay safe in the current situation. Past two years posed many challenges. Coming back to the "New Normal" era after 2 years of pandemic the economic drivers have switched forward. As the scope of operations grow, the industry is undergoing a fundamental transition. At the same time global economy is facing new challenges.

Despite the fact that the entire world continues to face unprecedented problems in the business environment such as Power Shortage, Coal Shortage, Supply Chain disruption, Increasing raw material prices, geo-political tensions the Company announced a resilient set of results with an improved product mix. Before we talk about agendas set for this meeting today, let me touch upon the performance. It was an eventful year for Aarti Drugs on several fronts. During the year Company has recorded the consolidated revenue of Rs. 2500 Crores for the first time in its history. In the context of the prevailing operating circumstances during one of the most challenging phases we have witnessed so far, we believe this is an outstanding performance.

I would now like to run through a brief presentation on your Company which will give you more insights about the Company. I request CFO to make the presentation;

**Chief Financial Officer:** During FY 2021-22 the Company has grown on account of its long-term strategy and robust expansion plan. Due to its global presence with the finest sense of business, it has shown tremendous financial performance in challenging macroeconomic conditions. For the benefit of shareholders, I will introduce the Company and its brief history of the Company. Your Company is almost 38 year old Company almost four decades, we started our operations in 1984. Then we got listed on BSE 1993, and then on NSE in 2003. We crossed Rs.100 Crores of turnover in 1998, then Rs.1000 Crores of turnover in 2014. In 2017 we acquired our own formulation manufacturing facility for the first time. Then, in 2020 we crossed Rs.2000 Crores of turnover. And then in 2022 Last year, our consolidated revenue was almost Rs.2500 Crores. Your Company has currently 12 manufacturing sites, which we'll touch upon in the next slide. We manufacture more than 80 plus finished product that is finished dosages, and 50 Plus API and chemical molecules. Around 37% of the business comes from export revenues and we have a presence of in over 100 countries 100 plus countries. Your Company is one of the biggest chlorophenol category manufacturer i.e. floxacin which is antibiotic category, then it is in antiprotozoal segment with big molecules such as Metronidazole Benzoate and Metronidazole also, even in anti-inflammatory segment, we are leading in few of the molecules like diclofenac derivatives and also Nimesulide. And even molecules like Celecoxib. Then recently, we have been growing tremendously at a rapid pace in anti-diabetic segments with molecules like Metformin, and also in antifungal space with



molecules like Ketoconazole. We have one formulation facility in Baddi. Then, we have two API facilities in Gujarat. And nine overall facilities in Tarapur MIDC, out of which seven are API. and as you can see, in the bottom right corner, that we have continuously increased our installed capacity, because that is must for an API Company to grow in coming years. This slide will show that we are present over five continents. Then in Asia, we have a big share because Asia is a big continent. It includes countries like Russia, we even export to countries like China, which is considered as a very big competition for API industry in Asia, then Southeast Asia, And we are also present in European geography is North American geography in Mexico, Canada. In the US, we export some key molecules, then we are presence in Latin America and Africa as well. about 58% of the exports we can classify as regulated exports because those requires product approvals, as well as facility upgrades to be able to qualify to export API's in those countries, and around 41 would be semi regulated. Then we'll touch upon the ESG initiatives of the Company. First, we'll talk about the environmental initiatives. Company recently in last couple of years have converted almost, almost all of his facility into zero liquid research. Couple of more to go. In the process, we have used technologies like MEE and MVR to reduce our energy consumption. We truly believe in recycling. In governance, our board has an optimal combination of executive and non-executive and Independent Directors, we have very good gender diversification as well as skill set with diversification. We have a couple of professors from a very reputed chemical engineering college, almost the topmost in Asia, we have very good risk management governance. All the requirements are being taken care by our secretarial department, they have been working hard towards it. Now we'll touch upon the social the CSR

initiatives of the Company we have been continuously doing forestation, then, we have been taking few classes I mean, we have been sponsoring few classes for women empowerment wherein we are giving them training to take care of the elderly, which also means educates them as well as helps them to generate income, we also make sure that they get good placements after the courses. then we have been giving infrastructural support to primary health care centers of the government wherein poor people get free, free treatment for the healthcare then we have very good gender diversity inside our Company not only in the Mumbai office, but also at the plant level. Then I will just go over the photos of the activities what we have done so far. Then we'll touch upon the capex. Since last one year we have started our capex program of around Rs. 550 to Rs. 600 crores, which includes two Greenfield capex which are ongoing, which also includes brownfield capacity expansions of antibiotic, antifungal, and even anti diabetic molecules. We are also doing a lot of backward integration to further strengthen our position in three of the molecules. The capex, has an approximate asset turn of around 2.5x. Around Rs. 1200 Crores would be the external sales and around Rs. 300 Crores would be the captive consumption from the green field we are launching.

That's the Company in achieving better margins in coming future. Now, we'll talk about the financial performance of the last year FY 22. We have grown by over 16% in revenues, around 7% was the value growth and around 10% was the volume growth, which is very good. One thing I would like to highlight here that FY21, which was the COVID year was an exceptional year for pharmaceutical companies, which means lock-down. Price escalations were very high, Because of that, the EBITDA margins of FY21 are not exactly comparable to the ongoing trade. But even

if we compare with our historical averages, we feel that your Company should easily achieve EBITDA margins of around 15.5% to 16%. In spite of that, the last year 13.7% due to a lot of challenging macroeconomic factors, few of which was very sharp price hikes in the raw materials, what we had seen in last year beginning of last year, then we saw power outages in China, then there was international coal shortages. And then in last quarter, that is the March quarter of FY 22 war situation, few of the raw materials and all the raw materials based on crude indirectly based on crude has gone up, leading to further price hikes in the at the input level Because of that, the margins were squeezed in last year, and in the current quarter of the FY 23. On this slide, I will also highlight your Company's current quarter performance. This is the latest results which we published a couple of weeks back. So we have that we had done a 7% growth year on year for the June quarter from Rs.580 Crores to Rs.622 Crores EBITDA margins remain stress because of the factors which are highlighted. But the management wish to reach the historical averages of 15.5% to 16%, in next two to three quarters. If we compare last, and FY 21. More or less our segmental breakup remains the same. So in FY 22, API contributed around 80% of the total revenues, formulation around 11%. And specialty chemicals and intermediates put together around 9%. Next slide you can see the performance trend over last five years of the Company. It has been good and revenues have been showing the increasing trend, which is very good. Definitely FY 21 was exceptional in terms of profit figures. But other than that, we have been doing very well. We expect to improve our EBIDTA margins definitely more than last year, no doubt about it. This graph in the annual report for the reading reference. Similarly, one key taker from this is the leverage of the Company has gone down

continuously in last five years, which is very good for the financial health of the Company. Then we discuss briefly about the distribution to shareholders. So as a policy, we have a distribution policy of around 15% to 30% of our consolidated net profits to the shareholders. So over the last seven years, we have distributed around Rs.68 Crores of dividend and around Rs.136 Crores through buyback of shares, which amounts to around Rs.204 Crores over the last seven years, which is around 21.5% of the net profit of the Company. Just to highlight one more thing. This doesn't include the further tax what Company has paid for the buyback. So if we consider that then the percentage of payout will be even more. With this I would like to close the presentation and hand it over to the Chairman.

**Chairman :**

On behalf of my colleagues on the Board, I would like to express my sincere gratitude to all our Shareholders, Employees, Customers, Suppliers, Financial Institutions, Government and Semi government agencies and other connected business partners for being with us throughout this journey. It is their goodwill that renews our belief in ourselves and our potential to be more. I would particularly like to thank all the employees of Aarti Drugs for their dedication, hard work and commitment towards the Company. We expect you all to stay safe and healthy and are committed to the long term growth for Aarti Drugs in years to come. With this I would like to conclude my remarks and request the Company Secretary to take the proceeding forward.

Thank you all.....

**Company Secretary:** Before moving towards the businesses to be transacted at the meeting I wish to inform that Pursuant to MCA and SEBI circulars, since the AGM is held through Video Conferencing, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the representatives of the Body Corporates can attend the AGM and cast their vote through e-voting.

Pursuant to the relevant provisions of Companies Act, 2013, rules made thereunder, applicable SEBI Regulations and MCA Circulars, the Company had provided the facility of remote e-voting to the members in respect of business to be transacted at the AGM through the platform provided by NSDL. The members holding shares as on cut-off date which was Thursday, July 28, 2022 were eligible for remote e-voting.

The remote e-voting period commenced on Monday, August 1, 2022 at 9:00 AM and concluded on Wednesday, August 3, 2022 at 5:00 PM.

Also the facility to vote during the meeting has been provided for the members who are present in the meeting and have not casted their votes through remote e-voting facility.

Since AGM is held through Video Conferencing there is no proposing or seconding of resolutions. With this, now I proceed the Agenda as per the Notice convening AGM.

For today's meeting we have 2 Ordinary businesses and 5 special businesses to be transacted;

<b>Agenda No.</b>	<b>Agenda</b>	<b>Business</b>	<b>Resolution</b>
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1	Adoption of Financial Statement (Standalone & Consolidated) for the Financial Year ended March 31, 2022, together with the Reports of the Directors and Auditors thereon.	O	O
2	Re-appointment of Shri Uday M. Patil (DIN: 01186406), who retires by rotation and being eligible, seeks re-appointment	O	O
3	Approval to the appointment of Shri Bhaskar N. Thorat (DIN: 01293824) as an Independent Director of the Company.	S	S
4 B	Approval to the appointment of Smt Neha R. Gada (DIN: 01642373) as an Independent Director of the Company.	S	S
5	Approval to Shri Arun M. Patil to continue to hold office or place of profit with revised remuneration.	S	O
6	Approval for giving loan or guarantee or providing security under Section 185 of the Companies Act, 2013	S	S
7	Ratification of remuneration to be paid to the Cost Auditor.	S	O

**Company Secretary:** Before proceeding with the E-voting, I would like to invite members who have registered themselves as speaker shareholders.

Speaker Shareholders may please note that:-

- Your names shall be announced one by one.
- Once your name is announced, the moderator will unmute you.
- You may start your video and proceed further with your questions.
- Owing to any reason, if you are not able to start the video, you can speak through audio mode.
- You are requested to use earphones or headphones while speaking to ensure audibility.
- I request you to ensure that there is no background interruption while you are speaking.
- Also, you are requested to ensure uninterrupted internet connectivity.
- Make sure that there are no other background applications running on your device and there is proper lighting for a good video experience.
- In case of any audio or visual disruption, the Company may put you on hold and move to the next speaker. You may be allowed to continue at the end after all the speakers have finished.
- I request the members to limit their speech to 3 minutes and restrict yourself to the businesses relating to this AGM only.

**Operator :** Thank you. We will now begin the question and answer session.

**Q & A:**

1. I now request Mr. Anil Parekh Demat a/no: 1202700000216180 to begin with. Mr. Parekh you are unmuted. You are requested to turn on your video and proceed.

Chairman Emeritus Mr. Chandrakant Gogri, Chairman for the meeting Mr. Prakash Patil, MD Rashesh Gogri and all other board

members Good Afternoon to you all and I hope you all are safe and fine at your respective end due to covid-19 we are unable to meet personally and I feel shy that we are not able to meet physically. I request management here to kindly see to it that next year at next meeting we can meet and greet personally since now all trains, buses are overloaded and marriages and functions are going on in thousands so why can't we have meeting physical? This is my humble request to you Sir. Sir my one grievance is regarding corporate information page 27 Sir why can't we have that corporate information page at the first or at the last so that we can readily go through it and contact the proper person. Please Incorporate from next Year. Sir having gone through Balance Sheet First of all I would like to Thank Secretarial team. They are doing excellent Job and whenever we need any kind of assistance they are always available. They pick our phone immediately and respond to us very quickly so thank you. On Page 3 I have seen your mission & vision sir I am sure you will definitely achieve this vision and mission with the capabilities and performance over the years. Also sir I have seen our Journey since 1984 to 2022. Excellent Journey one need not have to have spell out about your journey .It is already given there all you are must be congratulated for that. Sir how many Patents are registered out of today on pg 17 it is mentioned we have 12 manufacturing facilities and 80 finished products. Out of 80 finished Products how many Patents are Registered? Sir on Page 8 our Tarapur speciality chemical facility is completed and now scaling up production so after scaling up this Production what is the Positive will be one top line and bottom line and you also mentioned that our products are safe to consume and also we got accreditations from ISO Companies etc. so that shows that our products are very good for masses on page 10 we have expenditure of Rs.6.8 Crores in R&D



in my opinion we need to scale up our R&D expenses also. To have more and more penetration around the globe so what is your views on that please explain sir also our portfolio team identifies 20 products every year sir its very good you identify 20 products every year Sir how Many of them is Approved? Sir excellent Performance under the Circumstances on Page 12 & 13. However our EBITDA margin and debt margin under stress and I am sure you will take care of that in coming years and you will not let down investors. Sir also on page 19 you have mentioned product wise capex Plan. Sir in my Opinion once this all product wise capex plan is approved and executed what would be top line and Bottom line. Sir I don't want to take your much time since everything is explained in Balance Sheet & I have referred it. I have no further question. Thank you for Patient hearing and I support all the Resolution for today's meeting. Thank you sir

2. I now request Mrs. Lekha Shah. Demat a/c no:- IN30063640102157 to begin with. Mrs. Shah you are unmuted. You are requested to turn on your video and proceed.

Respected Chairman Sir, Board of Directors and my fellow Members good afternoon to all of you Myself Lekha Shah from Mumbai .First of all our Company Secretary ko m Dhanyawaad bolna chhahti hu unhone time par mujhe annual Report de diya itna ache tarike se Annual Report me sab kuch bata diya h unhone toh kuch question puchne ka kuch sawal hi nahi raha sir and I support all the Resolutions for todays's meeting. Thank You Sir.

3 I now request Mr. Rohinton Batiwala. Demat a/c no:- IN30611490067222 to begin with. Mr. Batiwala you are unmuted. You are requested to turn on your video and proceed.

Respected Chairman, other Board of Directors and Company Secretary Shri Rushikesh Deole, my fellow shareholders Good

morning to all of you sorry Good Afternoon Sir I have few Questions to ask Sir what is the roadmap for next 2 to 3 years? Sir what is our capex programme for next financial year? Sir what is our R&D Programme for next financial year? Sir what is our order book as of now and are we prepared for delivery? What is the strength of our staff and in that how many ladies staff are there? Sir here I end my speech with Prayers to Almighty Lord to bring our dear Company to the topmost no. stock under your dynamic leadership and with also the help of other learned board of Directors. Also I have Complaint for VC so next financial Year you please go for physical meeting sir thank you once again for inviting me to speak and for your patient hearing. Thank you sir. Jay Maharashtra. Jay Hind. Bharat Mata ki Jay Ho.

4. I now request Mr. Goutam Nandy. Demat a/c no:- 1203680000019356 to begin with. Mr. Nandy you are unmuted. You are requested to turn on your video and proceed.

Good Morning and Namaskar, Respected Chairman, BOD and my online fellow shareholders myself Goutam Nandy of Kolkata city of Joy very old Equity Shareholder of Aarti Drugs Limited Sir firstly I like to give thanks to your secretarial department for sending me annual report and other necessary relevant papers through email well in advance. So Specially thanks to our Respected Company Secretary and his whole team for rendering very good services to all minority shareholder. Sir you are organizing your AGM through video conferencing for the third time and I find it's a grand success. so thanks again sir. sir few years back we had faced GST and demonetization and now covid-19, despite a tough and Pandemic challenging year your performance is very good, your CSR Activities is also Remarkable. Sir your annual Report is very attractive and also very informative. In this context I like to suggest

Please issue hard copy of annual report atleast to speaker shareholder sir and please also mention the speaker serial no. through your link. Sir what is your roadmap for the next 3-4 years? Sir please tell me the booster dose has been given to your each employee or not if not please add it immediately for the same because the employees are the peers. Sir I am very proud to be a Shareholder of Your Company and I am very hopeful towards the prospect of our Company sir I approve trust with our strong Management like you so I whole-heartedly support all your all resolutions which are already casted through my e-voting. Not only me along with my family obviously in favour of you. Sir I am very happy with your Company sir. Nothing to say more today Looking forward with a Positive outlook towards our company with higher profit margin and some dividend one to one bonus & return sir may god bless you sir. sir stay safe. stay healthy, signing off Goutam Nandy. Thank you very much sir

5. I now request Mr. Dnyaneshwar Bhagwat. Demat a/c no:- 1204370000433421 to begin with. Mr. Bhagwat you are unmuted. You are requested to turn on your video and proceed.

There was no response from Mr. Bhagwat

**Chief Financial Officer:** Thank You all the speaker shareholders for putting out their valuable time on the Platform and ask their questions. Words of appreciation were also very motivating for us. Now I would start to talk about the capex because there are lot of questions around that. As we have highlighted in our investor presentation also it is posted on website as well as on SEBI website so we are doing a Capex around 550-650 crores in a span of 3-4 years in a phase wise manner. Once the entire capex will be ready your Company's turnover will be ready your Company's turnover on a consolidated

basis can go to the extent of four and a half thousand to five thousand crores so that will be contributed by both green field capex and the brown field capex so this will become major roadmap for next 5 years of the Company to successfully implement the project and then being able to sell the product to the market. As far as the R&D expenses are concerned one reason is we as a API Company we have to do lot of R&D at a plant level as well. So we generally categorize R&D Expenses wholly to the whatever R&D expenses we are incurring at one R&D center so rest of the R&D expenses are not covered and the kind of R&D Expense we do is a process improvement R&D and for that lot of expenses are there at plant level so that is not highlighted. One of the question was we are identifying lot of products but how many are actually getting commercialized as right now we are talking about we have more than 50+ molecules and top 15 molecules is contributing almost in terms of percentage to the overall revenues.so all those 35 molecules are those which we expect to grow further and it happens slowly because whenever we get attraction in a particular product then we suddenly take a call to expand the capacity of that product further especially when the patents grow off and something some sort off that event happens than we try to capitalize on that and commercialize that product as far as patents are concerned unfortunately we don't file many patents because most of the R&D is process oriented and what happens is till the time the enforcement of patent is equally Important because we are in a developing nation as of today even if we file patent we have to give all of the Information to Patent Authorities and to implement that sometimes becomes challenging so we haven't gone in a direction yet. Employees Strength approximately we have around 1450 employees on payroll out of which in the Mumbai Office almost 50% or more are woman employees at our office. I don't have a round

Number but I will definitely find it out for you for the future. Few of you were requesting for the hard copy to the Speaker Shareholder we have definitely taken a note of it. One of you highlighted that definitely employees are one of the key assets of the Company and booster dose is very Important and whoever is qualifying now for the booster dose based upon the spacing of previous final doses most of them have already taken the booster dose. Even now we are following lot of social distancing and everything wherever needed and infact virtual AGM is one of the reasons for that whenever we will plan factory visit we will post on the Website for the benefit of Shareholder and that there is no minority or majority shareholder for us even shareholder is equally important for us and the benefit of every shareholder we will be taking care of that because what is that share price of the Company should go up & up and that's why all the Shareholders across the world should be benefitted. I think most of the questions I have covered so probably we can proceed to the next stage.

**Company Secretary:** We have also received some questions through the Question and Answer Box. We are sorting these questions for answering, meanwhile we can proceed with e-voting.

I request the members who have not voted - to vote now via e-voting system provided by NSDL and instructions to the same are given in the notice convening this AGM.

Please note that members who have already voted electronically through remote e-voting are not eligible to vote again. The e-voting at AGM shall remain open for the next 30 minutes. E-voting modules shall be disabled by the NSDL for voting thereafter.

The Company has appointed Shri Sunil M. Dedhia, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Within 2 working days from the conclusion of the meeting, the scrutinizer shall submit a consolidated report, which will be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

The outcome of the meeting will be the cumulative count of the valid votes cast through remote e-voting and e-voting during AGM.

Now we can answer the questions raised by the speaker shareholders and received through the Question and Answer box.  
Adhish Sir Over to You,

**Chief Financial Officer:** Most of the Questions are overlapping. There was one question regarding the net margins of the Company going down. That is one of the new Question I have received over the chat Box. The main thing is first our historic long term average margin was ten and a half percent to sixteen percent. During FY 21. There was addition the margins in that particular year was exceptionally higher than long term averages. we should be comparing our current margins with the long term averages of around fifteen and a half percent to sixteen percent. Now no doubt in FY-22 our EBITDA Margin was less around 13.6%. Definitely the most important thing was macroeconomic factors there was continuous price escalation at the Input side. One was due to the accidents at the vendors side due to Labour shortages in Covid which led to the supply disruptions then there was a supply disruption because there was a power Outrages in China. Then there was International coal shortage because of which the productions went down across the globe and it laid to supply shortage and the prices further escalated then in January we started escalating because of this war situation. In fact there was shortage of gas supply to the European Nation because of which some of the raw material coming from that side of the world they

also faced a lot of supply disruptions. Because of all this Factors continuously the raw material cost was going up now we were passing on escalating cost to the selling prices. But then there is certain lag and that is the reason why in December Quarter we had improved our EBITDA margin upwards to 14%. But again this new macroeconomic factor came into the picture in march quarter and again it came down. But once the economic conditions stabilizes there are no further disruptions in supply so within a Quarter we should be able to come back to our historical average. So I think most of the Questions are now suitably answered anything is left out we can always come back to you on a personal note. So we can now proceed further.

**Company Secretary:** Since all the businesses mentioned in the AGM notice are transacted, I request the Chairman to declare the meeting as concluded.

**Chairman:** With the completion of the above proceedings I now declare the meeting as concluded. I thank members for joining the meeting through VC and having spared their valuable time for attending this AGM. Once again thank you and stay safe.

<<Meeting Ends>>

**Operator:** “Dear Members, as instructed by the Scrutinizers, request all the members, participating in the AGM and who have not casted their vote yet to cast their vote in the remaining period of 10 minutes, Thank you”