

“Alembic Pharmaceuticals Limited - Transcript of 12th Annual General Meeting”

11th November, 2022

Following Directors, Key Managerial Personnel & Auditors of the Company attended the meeting through VC / OAVM:

1. Mr. Chirayu Amin : Chairman & CEO, Chairman of Corporate Social Responsibility Committee & Member
2. Mr. K. G. Ramanathan : Director, Chairman of Nomination and Remuneration Committee
3. Mr. Pranav Parikh : Director
4. Mr. Paresh Saraiya : Director, Chairman of Audit Committee, Stakeholders Relationship Committee & Risk Management Committee
5. Dr. Archana Hingorani : Director
6. Mr. Ashok Kumar Barat : Director
7. Mr. Pranav Amin : Managing Director & Member
8. Mr. Shaunak Amin : Managing Director & Member
9. Mr. R. K. Baheti : Director - Finance & CFO
10. Mr. Charandeep Singh Saluja : Company Secretary
11. Mr. Vishal Doshi : Partner of M/s. K C Mehta & Co LLP, Statutory Auditors
12. Mr. S. Samdani : Partner of M/s. Samdani Shah & Kabra, Secretarial Auditors and Scrutinizer for this meeting

Transcript:

Company Secretary:

Good Afternoon Dear Members.

I, Charandeep Singh Saluja, Company Secretary of your Company welcome you all at the 12th Annual General Meeting (“AGM”) of the Company. This meeting is held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) without the physical presence of the members at a common venue in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) and in compliance with the procedure prescribed vide various circulars, issued from time to time by Ministry of Corporate Affairs (“MCA”) and Securities and Exchange Board of India (“SEBI”).



Members attending the AGM through VC / OAVM shall be considered for the purposes of quorum under Section 103 of the Act. The requisite quorum being present, the meeting is declared in order and open for business.

Now, I request Mr. Chirayu Amin, Chairman & CEO of the Company to take over the proceedings.

Chairman:

Good Afternoon Dear Members,

I am Chirayu Amin, Chairman & CEO of the Company. I am also the Chairman of Corporate Social Responsibility Committee. I am attending the meeting from Vadodara.

I hope all of you are safe and are in good health.

I now request all other directors to introduce themselves.

Mr. K. G. Ramanathan

I am Independent Director and Chairman of the Nomination & Remuneration Committee of the Company. I am attending the meeting from Mumbai.

Mr. Pranav Parikh

I am Independent Director of the Company. I am attending the meeting from Mumbai.

Mr. Paresh Saraiya

Good Afternoon Members, I am Paresh Saraiya, Independent Director and Chairman of the Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee of the Company. I am attending the meeting from Vadodara.

Dr. Archana Hingorani

Good Afternoon Members, I am Archana Hingorani, Independent Director of the Company. I am attending the meeting from Pittsburgh, USA.

Mr. Ashok Kumar Barat

Good Afternoon Members, I am Ashok Barat, Independent Director of the Company. I am attending the meeting from Mumbai.



Mr. Pranav Amin

Good Afternoon Members, I am Pranav Amin, Managing Director of the Company. I am attending the meeting from Vadodara.

Mr. Shaunak Amin

Hello Members, I am Shaunak Amin, Managing Director of the Company. I am attending the meeting from Mumbai.

Mr. R. K. Baheti

Good Afternoon Members, I am R. K. Baheti, Director - Finance & CFO of the Company. I am attending the meeting from Vadodara.

Chairman:

Thank you. Mr. Vishal Doshi, Partner of M/s. K C Mehta & Co LLP, Statutory Auditors and Mr. S. Samdani, Partner of M/s. Samdani Shah & Kabra, Secretarial Auditors and Scrutinizer for this meeting have also joined through Video Conferencing.

I now request Mr. Charandeep Singh, Company Secretary to explain the statutory details pertaining to this meeting.

Company Secretary:

The facility for joining this meeting is being available for members on first come first served basis.

Once the questions answers session starts, I will announce the name of the shareholder who has registered herself as a speaker shareholder. The speaker shareholder will thereafter be unmuted by the moderator. The Shareholder is requested to click the video-on button. If the shareholder is not able to join through video for any reason, the shareholder can speak through audio mode. While speaking, we request shareholders to use earphones so that their voice is clearly audible.

Members who are interested in raising the questions / queries through chat box option may kindly do the same.

During the meeting, if the member faces any issue, he/she may contact helpline no. mentioned in the Notice of AGM.

The statutory registers as required under the provisions of the Companies Act, 2013 are open for inspection electronically. Members who want to inspect the registers can send their request at apl.investors@alembic.co.in

As the AGM is held through VC / OAVM, the facility for appointment of proxies by the members is not applicable and hence the proxy register is not available for inspection.

Since the notice of AGM was already circulated, with the permission of the Chairman, I propose to take the same as read.

In compliance with requirements of the Companies Act, read with rules framed thereunder, SEBI Regulations, 2015 and in terms of SEBI Circular No. 242 dated 9th December, 2020 in relation to e-voting facility provided by listed companies, the Company has provided e-voting facility to its shareholders.

The E-voting platform provided by NSDL was open for voting from 9.00 a.m. IST on 8th November, 2022 upto 5.00 p.m. IST on 10th November, 2022.

Members who have not casted their vote through remote e-voting can cast their vote during the course of the meeting.

M/s. Samdani Shah and Kabra, Practising Company Secretaries has been appointed as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Now, I request Chairman Sir to take over the proceedings.

Chairman:

Dear Members,

I consider myself extremely fortunate to be part of an industry that has played pivotal role in improving health across the globe.

Besides our various initiatives on optimization, we have reworked some bits of our R&D strategy to ensure that every rupee is judiciously invested in the right areas. Moreover, with most of our capacity build-up in place, we hope to maximise returns from our investment in the years to come.

Our journey has been heartening so far. I am looking forward to an even more exciting time in coming years. My aspiration is to build a robust institution that generates pride in the minds of our stakeholders.

We continued to reward our shareholders through consistent dividends. We paid Dividend of Rs. 10/- (i.e. 500%) per equity share on a face value of Rs. 2/- per equity share for the financial year 2021-22.

We provide very detailed information on each of our key business areas in the Annual Report and also discuss them during our quarterly investor interactions. All of these details are also available on our website. Hence, I am not repeating them.

With this, I would like to thank our business partners, shareholders, Board members and other stakeholders for placing their trust and confidence in us.

Your wholehearted trust and support has always been an important factor in keeping us motivated on this journey for all these years.

Now, we will open the floor for question answers and invite the shareholder who has registered himself as a registered speaker. I will handover the process to Mr. Charandeep.

Company Secretary:

Before we proceed, I would like to remind members to follow the instructions given earlier for participation.

Please note that the Management will respond to your questions / queries after taking questions from all the shareholders (including the questions, if any, received in the chat box).

We have the first registered speaker, Mr. Dnyaneshwar Bhagwat as a speaker shareholder.

Now I request moderator to unmute him.

Moderator:

You please proceed with your questions.

Mr. Dnyaneshwar Bhagwat:

Hello? Can you hear me, sir?

Chairman:

Yes, please.

Mr. Dnyaneshwar Bhagwat:

First of all, thank you very much. After a long time, I'm meeting you through VC. I know physically, I can't come to Baroda, but through this VC I'm meeting you first time. First of all, thank you very much calling my name. My name is Dnyaneshwar K Bhagwat. I'm calling from a Mumbai. I will say thanks to Mr. Charandeep for sending me the soft copy, which is full of knowledge and easy to understand, so I thank to him so for his remarkable work. Secondly, about the financial part, he has taken a lot of initiatives to show the company performance about the all the charts and all that. So again, thanks to him for the excellent work. Thirdly, about the resolutions, I don't have much questions, so I support all the resolution. Only the one question is there, which sir might be, I didn't get the details. How many employees are working in our company and in the factory, rest No more question. Thank you very much, sir for patience and belated Happy Diwali and Happy New Year to you Sir. Thank you very much.

Chairman:

Thank you. Can we go to our next Shareholder?

Company Secretary:

Next speaker is Mr. Bimal Kumar Agarwal. Moderator, please unmute him.

Mr. Bimal Kumar Agarwal:

Good afternoon. Can you hear? Yes. Hello. Good afternoon to everyone. First of all, thank the Company Secretary and his team and also the management. As sir, has already explained everything well, I got nothing to say. As we are from Bombay, we always, you have the meeting online. If you all have offline, we can't attend over there. You make it a point to have online meeting. That's all from me and I have supported all the resolution. Thank you very much. That's all from me.

Chairman:

Thank you.

Company Secretary:

Next speaker is Mr. Mukesh Chandiramani. Moderator, please confirm whether he joined the meeting.

Moderator:

He has not joined the meeting.

Company Secretary:

Okay. So there are certain questions from Mr. Mukesh Chandiramani, who has registered himself as a speaker shareholder and as suggested by him, the Company will send response to his questions over email. Now we move to the next speaker, Mr. Francis. I request moderator to unmute him.

Mr. Francis Figueiredo:

Good afternoon, sir. Can you hear me?

Chairman:

Yes, please go ahead.

Mr. Francis Figueiredo:

Yeah. I am Francis Figueiredo. Respected Chairman and other members of the board. I just have two quick questions. What is the market size and how much of sales the company's expecting from Ketorolac Tromethamine, from the US market. Secondly, how much is R&D allocation for next 5 years. With this I support all the resolution and thank the company secretary for inviting me to speak. Thank you.

Chairman:

Thank you. Please go to the next.

Company Secretary:

Sure. So the next speaker who registered was Mr. K Bharat Raj but he has not joined the meeting. So further there are we have not received any questions through chat box option. So I request Chairman Sir, Pranav Sir, Shaunak Sir, Baheti Sir to respond to the queries raised by the shareholders.

Chairman:

Let's start with, Mr. Baheti, could you just give the numbers, total numbers, you know. Exactly. Currently employment.

Mr. R. K. Baheti:

We have about 11,700 employees.

Chairman:

11,700 employees

Mr. R. K. Baheti:

Across

Chairman:

Other observation was when can we have an offline meeting. That depends on the environmental issues and maybe we will consider it in future. The shareholders can attend physically. There were answer on a particular molecule. Pranav, would you like to take it up? You know what he is taking about.

Mr. Pranav Amin:

Yeah, I didn't get the name of the molecule. I couldn't. If anyone heard clearly. I didn't hear it clearly.

Chairman:

It's was just some Ketorolac or something else.

Mr. Pranav Amin:

Ketorolac. It's we've just recently got an approval. This is a product that has been in the shortage from the US FDA for a while and it's the first of the launches from our injectable facility. So we will launch this product sometime in Q4. Once we do, then we'll get a better perspective of what the opportunity is.

Chairman:

And on R&D expenses, there was a question.

Mr. Pranav Amin:

On R&D expenses have been relatively flat and we expect them to come down gradually over the next couple of years.

Chairman:

Mr. Baheti, did he ask for five year perspective or something?

Mr. R. K. Baheti:

Yeah, that's right. So our R&D was high in initial years because we were behind the peers as you know, in getting to the US market and we had to do some catching up. And the R&D efforts, I would say paid off because we have made good amount of money in last two-three years. Of course for last year, year and a half US market has been under severe price pressure, price erosion and that's not for us. That's almost for the entire generic industry. So in view of the falling margins, we are also really looking at our R&D strategy and probably over a period of time, we'll reduce it. So we have been spending between 10 and 12% of our sales on R&D. Now I think we will go back to a high single digit, maybe between 8 and 9% over next two, three years. Five years is too big horizon for me to comment at this moment.

Chairman:

So it'll depend on the environment and business opportunities and we'll moderate accordingly and currently there seems to be a depression or price erosion in US market. So we will moderate our spent and the strategy. As I mentioned earlier, is to sweat all our investment we've already done in facilities for generic business. Is there anything left?

Mr. R. K. Baheti:

No, I think mostly you have covered all.

Chairman:

Okay.

Mr. R. K. Baheti:

I think there are no other agenda items. We can take up the further.

Chairman:

In case any member has any query now onward, they can contact us at our registered email ID and we'll try to endeavor to respond to them at the earliest. I would like to thank all directors & members for joining this meeting through VC. Before closing the meeting, I once again wish you good health and be safe. And I request Mr. Charandeep to take it forward.

Company Secretary:

Thank you Sir. Members may please note that the voting on NSDL platform will continue to be available for next 15 minutes to enable the members who have not cast their vote yet and who would like to cast their vote.

The results of the voting will be announced on or before 13th November, 2022 and the same would be available on:

- (i) Notice Board of the Company at its Registered Office;
- (ii) Company's website www.alembicpharmaceuticals.com;
- (iii) NSDL' website www.evoting.nsdl.com and
- (iv) Stock exchanges' website www.nseindia.com and www.bseindia.com

Company Secretary:

May I request Moderator to confirm the number of shareholders attended the meeting.

Moderator:

60 shareholders have joined the meeting.

Chairman:

Okay, how much? 50.

Moderator:

60.

Chairman:

60. Okay.

Company Secretary:

Yeah. So with this meeting is concluded. Thank you all for joining the annual general meeting of the company. Thank you once again.

Chairman:

Thank you very much. Thanks.



Please find hereunder web-link to access the recording of the proceedings of 12th Annual General Meeting of the Company:

<https://www.alembicpharmaceuticals.com/videos/video.html>