

**TRANSCRIPT OF THE 28TH ANNUAL GENERAL MEETING OF MARKSANS PHARMA LIMITED  
HELD ON TUESDAY, 29TH SEPTEMBER, 2020 AT 11:00 A.M., THROUGH VIDEO CONFERENCING**

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Yes.

Good morning ladies and gentlemen I have 7 finding right companies secretary. Welcome you with these 28 and my general meeting of the members of the company.

Being held so seeing as permitted by the ministry of corporate affairs and securities and exchange of India.

The shareholders have been provided with the facility to join the meeting to.

Video conferencing, and for being provided by.

Before we comments, I would like to take you through certain points regarding participation in this meeting.

Disabled or have been provided with the facility to join the meeting, do video conferencing and for being provided by cdsi.

The facility joining the AGM through video conferencing is being made available to the members on 1st come 1st services.

All the members joining this meeting are by default place on mute mode to avoid any background noise disturbance and to ensure smooth and stimulus conduct of the meeting.

During the question on the Nance operation, speaker cylinder will be announced.

Who will director be unlimited by the host of the AGM and will be allowed to express their views? Ask questions.

It's speaker will be given 3 minutes, and I request each speaker to this time limit to ensure effectiveness.

Of the meeting, and to provide equal opportunity to other bigger shareholders.

That's because the settlers are requested to click the audio and video button while he's speaking.

If this is unable to join through, we do more due to any reason is shareholder is advised.

We switch off the camera video and speak through audio mode.

If there is a productivity problem as a speaker, a similar end.

We will ask the next speaker to join the meeting.

Once connectivity improves, the previous speaker server will be all back to speed.

During the meeting, if members faces any technical issue, he or she may call the.

Fine number of cdsI, as mentioned in the notice of the.

Because shareholders are request to minimize any background noises to avoid any adjustments.

Why is speaking we would request to the speaker to use.

The year forms, so that is clearly audible.

That's because I requested to be loud and clear while speaking so as to and to note the questions currently.

Please note that it's for the requirement the proceedings of the agent will be recorded. Thank you.

I know over the proceeding to our chairman.

Mr. Marcel Donna over to you chairman.

Good morning ladies and gentlemen are attending this meeting through video conferencing.

I'm informed that all the directors are attending this AGM from their respective locations to video conferencing.

Mr. gun Patrick, the chairman of the audit committee and Mr. chairman of the stakeholder relation committee and nomination and recommendation committee are telling the CGM.

The chief financial officer is also attending this AGM.

We are representatives of the statutory auditors and secretarial auditors attending this AGM through video conferencing.

Mr. Dinesh practicing company secretary and scrutinize is also attending this AGM video conferencing.

On behalf of the board of directors, I extend the hearty welcome to all the shareholders.

All the directors and invitees to the 28 annual general meeting on former.

For the 1st time ever, this AGM is being held to a virtual model.

This is due to the social distancing now and in order to ensure safety to the members and employees of the company.

During the score 19 fundamental. So do excuse us in case some glitches or hurdles we may come across.

Will we will try our level best to adapt to this new.

Watch your model I, thank all.

I think all of you for participating in today's meeting and sincerely wish all of you and your families are safe and healthy.

I'm informed that the requisite column for the AGM is president. So I call the meeting in.

It's a stop.

To another financial Leo and what they meant pleasure I share with you a company's performance.

For the 201920.

In the last 8 months, the world has witness unprecedented events.

We're improvised way of working that we now call as the new normal.

Had to be adopted to ensure business continuity.

Make such volatility we have once again delivered a promise recording exceptional performance despite sluggish economic growth.

The global global academies continue to be subdued in 2019 and 20 going to various uncertainties.

And to make this was the sudden outbreak of the code and 19 Pender make cause major disruptions across the supply chain and manufacturing activities.

Bringing global economic activities to a stance where countries were under locked down, businesses stopped indefinitely and the weeds of economy started turning backwards.

However, our company remain resilient.

And months a few companies to showcase a strong growth in the last financially.

The consolidated financial for the year. 201920.

Was 1134 cross as compared to 1000.

Close all the previous years representing a 13.41% growth.

The company registered a consolidated net profit of 120 cross as compared to 80 gross.

Last year representing an impressive 50.12%.

During the UK and Europe.

Reported the growth of 23.5% U. S.

Formation business reported a growth of 6.1% and Australia New Zealand reported a growth of 17.3%.

Mocks sends you gave, which operates in the European market through belts and sons and Revlon camps.

Achieve that revenue or 491 close as compared to 412 close last year.

And a net profit of 68.5 pros as come back to 29.

1 call Mark said ink, which operates us not in America through time.

As achieved the revenue of 419 grows as compared to 400.

11 close last year, and the net profit of 8.2 versus 2.6 over the previous here.

No, pharmaceutical, which operates Australia achieved a revenue of 130 gross as compared to 105 close.

Over last year with a net profit of 9.3 was 9.9.

Us contributed 38.5% of the companies total.

Uk contributed, uh, which, uh, with a 50 product, plus a portfolio.

You can contemplated 45% of the company's revenue with over 200 product registrations.

Australia Islam contributed 12.4% of the company's total revenue was around 30 odd products, which are proved in Australia.

With a dealer average net OT, debt balance sheet.

We are now exploring our in organic growth strategies, which may include acquisitions.

And we are keen on widening on manufacturing presence.

The board of directors has recommended a dividend for the 1st, time of 10%. That's 10 per equity share for the financial year 2019 and 20.

We definitely plan to increase our dividend payouts in the coming years as a profitability increases.

I express my sincere thanks to our shareholders for the trust in.

I also expressed my gratitude.

To each of my colleagues on the board for the valuable advise and support.

I essentially thank all the employees of a company and its subsidiaries for the cooperation dedication and the.

Lastly, I sincerely, thank you all for being present here.

During this challenging time, my wishes go out to all the members and their families.

Hope they are safe and doing well.

I request a company secretary to ready, proceed further and explain the process of working on the resolution in the meeting.

Thank you chairman, sir.

Since this is being held electronically of the members have been dispense with and the requirement of appointing proxy is not applicable.

As required by the companies that have been made available electronically for inspection by the members.

Members seeking to inspect documents can send a request to company secretary ad. Com.

Members who did not work earlier through remote importing, may work electronically during the course of the meeting.

Since the notice of the is already circulated to all the members I take the notice of the meeting as read as the report of the statutory auditors and the sexual auditors does not contain any qualification or adverse comments.

I take the same as read.

In compliance with the.

And said we listing.

The members are provided with the facility to cast their vote electronically.

Through remote services administered by, on all the radio listen set for in this case.

The members who have not cast their votes on the reasons as mentioned in the agenda, notice by remote, waiting prior to the meeting.

Are provided facility to pass their vote through system available on the working page of during this again.

Member did the page of website.

That is W. W. W. dot com.

And past their words, why at the same time view, the proceeding of the meeting.

The board had appointed Mr. genius they are practicing company secretary to act as this scrutinize to scrutinize the remote and the work asked at the meeting and provide a consolidated result.

Since the is held through video conferencing, the regionalisms mentioned in the note is convening these have already been put to work through remote.

And as the facility routine is also available at the ATM, the process of proposing or seconding the resolution is not applicable.

The voting facility is now open, and the members may please go to the voting page of cdsi website and cast their vote. While at the same time, was the of the meeting.

The E, voting facility will remain open for 15 minutes after the meeting to enable members to cast there.

All efforts, disable under the circumstances, have been made by the company to enable members to participate and work on the items being considered in this area.

We now open the floor for any questions from the shareholders present at the meeting.

I will now call the names of those.

Who have registered themselves to speak, or ask questions pertaining to the performance of the company during the senior 1920.

1 way 1 to conclude the meeting in good time, I request is brief limit this piece to 3 minutes and to our reputation.

Once all the speaker soldiers have ask their questions 1 by 1.

After I call out their names, the same will be answered.

The 1st speaker is, you say some deeper, but I miss para please on Sunday, but.

Yes.

Missing.

This is a very good morning on the 2nd channel. So all the board of directors.

Yeah, she.

Under board of directors here for whole company. Mr.

Company security and mighty fellow shareholders fishing. You already fresh. Good morning.

So, I think regularly attending our agents for past so many years, this time editing ATM through we see is a new expense for all of us.

But physical meetings have a job of their own as it gives us an opportunity to interact with you personally. And it's a very warm feeling. In fact, in lieu of this pandemic situation, I would like to know for our company.

Employees are all safe.

If any of my employees are affected, and they been taken care of our company.

Right. So most of the employees maybe working from home, but what about the people who are working on it? Are there?

I mean, are they being giving convinced facilities or some kind of reimbursement for traveling? Because it didn't stop times for them to travel.

Uh, the trains and buses being over crowded since just now, it has been started and.

It's like, uh, it has conditions as it is not good as yet.

I would make a request once again like, last year. Can you please keep the meeting earlier since 29? September is an inconvenient date for our shareholders.

As in a multiple meetings had on the same day.

And, uh, most of the time timing's also 103011 o'clock, all slots booked.

So, I am a loyal shareholder. No doubt I will be attending your meeting every year like this year.

But, uh, it's a kind of request please, uh, try to.

Report or postpone the meeting as a note on 29 and 30 if it's kept, I will be very pleased to know.

A.

Okay.

Uh, most of my questions have been answered with your facts and figures mentioned by our chairman, sir.

So, no, I will, I've got no queries about the accounts to ask.

But I would like to know.

April forward and exchanges affected.

By the pandemic currently going on.

And concluding my speech, I would like to thank you, thank you for a patient hearing. I would like to support all your resolutions and also pay to God for safety of our Maxim's team. Thank you very much, sir?

Thank you. Thank you. Thank you. Bye. Bye.

The 2nd speaker is Mr remmington.

Those, but you wanna.

But.

Sir hello? Yes, we expect the chairman Sri Marshall Donna dash company secondary.

My fellow shareholders. Good morning to all of you, sir. My name is Mr from Mumbai and thanks for inviting me to speak.

On VSI platform, sir, I'm your shareholders in special inception, but I will, I was not able to come because you are giving on the last day. So there are so many meetings.

So I could not attend, but my daughter in law used to attend. So this time I got a chance to address the company. Thank you, sir.

So, 1st, I would like, I would like to compliment and congratulate our company secretary and a secondary team for N. G. E. G. M. well, on time, in spite of ongoing pandemic issue.

But, sir, you still managed to do it. So she has an annual report on time through email and for that I use Michelle.

Thanks, sir, the GM report is educator, informative, knowledgeable, and is here to all the norms of corporate governance. So, it is so nicely drafted that it gives us pleasure to go to it again. And again.

Sir, I agree failures in my family and I've got all the, it works well, on time by email.

Well, then please keep it up year after year. So we are very much pleased with the performance shown by the company each and every respect.

So, during the year, the company is at you turn 43.341 lead.

With net profit is 3794 legs. Good, sir. Compared to previous sir. It is great. Southern concerned. It is also the company is weird. Very well. So good. Very good. We are proud of our steam company.

We are also proud. We are part of our extreme company that does make sense farmer regarding need and our direct recommend at 10%.

But it could you share 1 instead of giving this 10% dividend? Usually the back of a deal done for the growth of the company.

And when our company gets simple,

then,

so you should have given liberal division,

so our company growing by leaps and bounds,

and then we will talk about hefty dividend anyway,

sir,

something is better than nothing.

So there is nothing more to say about recall mucosa you all directors, the chairman sure. You are the best judges were the account so little queries.

Now, what is, what is the road map and Cambridge program for next financial year? And how do you think is 1 day.

And so what is our nd program, sir? How is the stuff in disco in 2019? And, sir how are you taking care of them with this?

And my spiritual, your prayers to Almighty lot to bring up a company to top level under your dynamic leadership of our gentlemen, and with the help of the director.

So I support all your resolution. Thank you very much for inviting me to speak again.

And you mentioned sharing, thank you, sir, thank you.

Thank you. Mr. but the speaker is usage angle.

Is still in place younger, but.

Hello sir. Can you hear me? Yes yes we can.

Okay, good morning to all of you. Mr. Maxwell Dana.

Companies 3M dollar few myself is jungle, but.

But he safe and sound certain with the current pandemic going on. How what is the role.

To counter this for the for the purpose of sir.

Secondly, sir, how well are we geared to.

Into the future along with our staff, the, their family members, are we taking care of them?

Now, sir, in spite of such a huge crisis going on, you have managed to take the meeting, you have managed to conduct the AGM.

Which speaks volumes of your credentials and your team's, uh, credentials too. So I would not like to question you anything on the working or the accounts part.

My only a few queries would be like, what is the campaigns that you're looking for the next year?

The identical base and how do you plan to fund the fund? Both of them.

And, uh.

Your thoughts and the future of the company, the next 2 years down the line, the roadmap.

And what is, uh, uh, I also give you complements in the festive season that is going to come by.

Okay, and you all the best for the future Thank you, sir and you support the resolution.

Thank you. Thank you. Mr.

The 1st speaker is Mr.

Please Mr. Sunil and.

Hello? Hello? Good morning. Sir. Uh, you are using my voice? Yes. Yeah thanks a lot. Uh, can you just confirm? I'll send some questions so I should not repeat.

So, okay, fine. So, just 2, 3 things I wanted to convey is, uh, uh, due to our financial team, which has surmise effort. I think we are now so much.

In a healthy position, in terms of finance and balancing.

So, I'm sure for the growth you'll be investing and, as you rightly said in your chairman's paid, that will.

Think about acquisitions and also, so my request is to.

Take a reasonable more than enough care. Well, why we acquire something was so costly and it takes so many years.

To give us reward so I'll just request a 1 of these my concerns and 2nd, I've already sent you questions. Basic.

My concern is 1, is us is growth rate is very low and us subsidiaries. Profitability is very low. So, if you can throw some more light and a strategy.

On those things, that would be really excellent. That's also we should good luck and thanks a lot.

Thank you. Thank you. Mr. now.

Mr. Smith? Mr. can you please? Mr?

Mr. I used.

Just a 2nd, so.

Yes, on mute.

Nice to meet.

Yes, sir. I just.

I think he is not able to connect. I think we have a, like, you know, his questions or email, so yeah. Yeah.

So we can start the I'm sorry no speaker. Okay. Thank you. All follow queries.

Uh.

Just to reply to your question, all our employees are safe. They are working from home.

These are challenging times, so obviously safety comes cost.

We, we always suggest a request to employees to basically up for working from home and that's where.

When when I was talking earlier, we, you know, we had to adapt to this new style of working.

With regards to the 4 x presently it's quite stable.

Volatility will remain, uh, again from a global scenario. No, no 1 as a crystal ball, but as on today, the 4 access still holding on.

Mr.

I will try to club your question along with Mr. John D.

Where, um, where both spoken about CapX and in the program map uh, we also have, I think, um.

We also have if I'm not mistaken 1 more question regarding the same.

So just give me 2 minutes to go to all the questions so that I don't have to repeat myself over and over again.

Yeah, so so basically our cutbacks for this year, as, you know, are are we are pretty much OT that company.

So we, we do plan we are do we are planning to basically increase manufacturing capacities.

And that is 1 area where we believe we'll be spending a bit of cafx. It may also a new plant.

Um, but at the end end of the day, we do have plans for the coming year. Where is concerned.

Um, with R, and D with R. D. CapX basically, it is all internally funded.

And all our, in the projects, and CapX are, uh, basically internally funded, uh, you know, to our internal accruals.

Mr.

To answer your questions, which will ask for.

The basically the prescription, the prescription market, or the prescription area is highly volatile and very unstable revolves around demand and supply situation.

If you, uh, if 1 studies the R, X and mix in our UK subsidies, it's quite evenly distributed, however, in the U. S.

Only, uh, we have only a limited number of in days in the.

And that's a that's, uh, you know, which are approved.

And that's where, you know, um.

Um, that's where we have that limited limitation factor over there.

We are working towards expanding our portfolio, so we've done a lot of filings we are expecting through approvals. So we are working towards increasing our portfolio in the US.

When you compare us when you're comparing us versus UK, obviously U. S. is relatively new as compared to UK.

And obviously, the product portfolio in us is presently very limited as compared to UK. In us. We have only about 50 odd products while in UK we have 200 products, but as as.

As we mature in in the country, we are getting market share.

I do expect us to be 1 of our main growth drivers in the coming years.

And this is prime of because of market penetration and maturity.

Uh, with regards to the profitability of us.

I think once the increase of revenue in the US,

we expect operating operating leverage to kick in and the margins to improve and you probably see the results in this financially itself.

Your 2nd question is the current status of the is approved and awaiting in the US. Well, there are and is under review.

It's difficult to give a timelines, but we are optimistic to launch about 3 to 4.

Every year, including this year so we are expecting some launches towards the back end of this year towards the tail end of this year with regards to all the efforts that we have done and you should see continue.

So, 3 to 4 days launch after.

Your last question that you had asked for is basically related to our asset turnover ratio.

And what is the scope of strategy.

Basically, our revenues are growing and so is a cross plugged into cafex.

Last year we did a CapX Amelia on 60 crows across our 3 facilities.

We expecting this benefit of the Catholics took in the coming years.

Resulting into obviously incremental.

No worries so.

These are few of the questions I hope I answered to.

Obviously, we don't have, so I'm not very sure, although I have his questions. Do I need to answer them much with them?

Yes, yes, yes.

So, okay, so, um.

Obviously, I use metal at 3 to 4 questions, relative a relatively, very broad in nature.

So I will try to I will try to basically narrow them down and give them a brief understanding of, you know.

Our progress over the past years.

Okay.

The performance of the company, obviously in the last year, and this financial speaks for itself.

Uh, we have a board as a company, it compares us over the last 3 years.

You would see a world of difference uh, we have a 0T debt balance sheet. We have cash reserves. We have a growth here on here.

The key attributes, obviously very that we are very focused and committed towards achieving our goals.

And keeping in line with our global vision.

The decision I a time needed for integrating and implementation of a business model with the subsidies.

Are completed to perfection.

Obviously full regulatory compliance of all our 3 plans along with the focus of market penetration to get bigger market share has result into the transformation that we see today.

With regards to the future growth drivers. Like I mentioned, I do believe us.

To be 1 of a key divers in the coming year.

Followed by, and the rest a growth expectation from these markets are very big.

We are, you know, these markets are relatively, very huge.

And we are very new and relatively small in these markets.

As we mature, we, we are gaining market share and penetration into these markets.

And this makes us optimistic about our growth potential in all these markets.

Our aim is definitely to identify and segments.

Which can differentiate us from the rest.

We have invested a lot into infrastructure people.

Uh, product and strategy, we believe in over the period of time, most of it is yet to unfold.

We have a platform for the next 3 years.

And in my industry, if history has taught us anything.

It is you invest now?

To see, it returns in 3 to 4 years.

We, we have invested in the past, we are investing in the present and we'll be investing in the future.

Our approach is a bit different in the market. We are very focused on strategic with the planning.

We also take note of the circumstances surrounding the global changes and the impact.

I do believe the spend will go up as a company as for the.

1 has to keep in mind that R and D.

Are R, and D, which is a new new.

Fuel our global vision, and hence we need to factor all countries into the development program.

It 1 cannot evaluate it as us.

We are presently working on or 30 products in different formation segments.

We intend to spend eventually 3% of a consolidated revenue.

Uh, as are in the budget and time to come.

We are planning to file approximately.

4 in these per year from this year onwards.

And the last question was obviously, uh, how do we allocate capital allocation.

Plans and, uh, and the possibility of buyback.

Obviously cap capital allocation is primary focus towards driving growth related revenues.

Top priority list is expanding our manufacturing capacity, which may include a new plan, too. Like I mentioned earlier.

We intend to pursue an organic growth strategies to expand our footprint globally.

But this, uh, I mean, this may need a bit more.

Be hopeful for higher dividend payouts as a cash flow increase.

Increases in the future buyback can be considered only at an appropriate time based on the task reserves after achieving other objectives.

I showed that well, with this, I believe I've answered all the questions.

I hand it over to, you.

Thank you, sir, I would like to send the members for their space.

In case any of the questions will remain unanswered, or the members were unable to speak due to any issue.

During the meeting, the members get their questions to the company through email com.

We said we answered.

The voting process will continue for the next 15 minutes, and will be disabled thereafter.

The reporting will be announced on our before October 1st, 2020 and the same will be integrated to the exchanges and also uploaded on the website of the company.

Com, and now our 2 gentlemen, sir, but conclusion.

Thank you, I would like to express my sincere appreciation to you.

Our members for the continued faith and trust and encouragement and support.

With your consent I, and other board members would like to leave the meeting and wish all.

Shareholders and the family are very healthy and safe future.

Thank you.

Thank you thank you.

Hello.

As per your request, I conclude the meeting Thank you everyone.