



## **PIRAMAL PHARMA LIMITED**

**Transcript of the 3<sup>rd</sup> Annual General Meeting of Piramal Pharma Limited held at 3:00 p.m. (IST) on Monday, July 31, 2023 through video conferencing**

- **Ms. Tanya Sanish- Company Secretary, Piramal Pharma Limited:**
  - Dear shareholders, good afternoon and a warm welcome to the 3<sup>rd</sup> Annual General Meeting of Piramal Pharma Limited, which is being conducted through video conference. I hope all of you are safe and in good health. I would like to take you through certain points regarding your participation at this meeting. The facility to join the AGM through video conference is made available for members on first - come first - served basis. All Members who have joined this meeting are by default, placed on mute by the host to avoid disturbance arising from background noise. And to ensure smooth and seamless conduct of the meeting.
  - The company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairperson opens the floor for questions and answers.
  - Once the Q & A session begins, the moderator will announce the names of the members who have registered as Speaker shareholders one -by- one. The speaker shareholders will thereafter be 'unmuted' by the host. To start speaking, you are requested to click the video on button. If you are not able to join through video for any reason, you can speak through the audio mode. While speaking, we would request you to use ear phones so that you are clearly audible, minimize any noise in the background, ensure that Wi Fi is not connected to any other device, no other background applications are running and there is proper lighting to have a good video and audio experience. If there is a connectivity problem at the speaker shareholder's end, we would ask the next speaker to join. Once connectivity improves, the speaker shareholder will be called again to speak after other speaker shareholders have completed their turn. We would like to request the shareholders to limit their speech to 3 minutes. During the AGM, if a Member faces any technical issues, he or she may contact the helpline number mentioned in the notice of the AGM.
  - Please note that the proceedings of this annual general meeting will be recorded. I shall now inform you of necessary statutory announcements. The company has

received certain authorized representations from corporate members which are valid and accepted. Since there is no physical attendance of the shareholders, the requirement of pointing proxies is not applicable. The registers that are required to be kept open for inspection at the AGM under The Companies Act 2013 are open and available for inspection during the meeting. These are available electronically on the NSDL website under the tab AGM documents. As the notice of the meeting is already circulated to the shareholders with your permission, I take the notice convening the meeting as read.

- The Auditor's Report forming part of the Annual Report, which has been circulated to the shareholders does not contain any qualification, observation or comment on financial transactions or matters which have any adverse effect on the functioning of the company. Accordingly, in line with the provisions of the Companies Act 2013, the auditor's report is not required to be read out at this meeting. In compliance with the provisions of the Companies Act 2013 and Rules prescribed thereunder and the SEBI Listing Regulations, the Company has provided the facility for remote e-voting to all Members. Remote e-voting commenced on 27<sup>th</sup> July, 2023 at 9:00 am and concluded on 30<sup>th</sup> July, 2023 at 5:00 pm. In compliance with the rules on e-voting framed under the Companies Act 2013, the voting at the AGM will be conducted by the same e-voting system of NSDL, which was used for remote e-voting. Members who have already cast their votes by remote e-voting are not eligible to vote again at this meeting. Members who have not cast their vote may please go to the e-voting page on the website of NSDL and cast your vote while watching the proceedings of the meeting.
- Mr. Bhaskar Upadhyay, Practicing Company Secretary and failing him Mr. Bharat R. Upadhyay, Practicing Company Secretary of M/s. N L Bhatia and Associates, Practicing Company Secretaries have been appointed as the scrutinizer for the remote e-voting and the e-voting at the AGM.
- Since the AGM is being conducted through video conferencing, and the resolutions mentioned in the notice of the AGM have already been put to vote through remote e-voting, there will be no proposing or seconding of the resolutions. The results of the remote e-voting along with the results of the e-voting at the meeting will be declared by 2<sup>nd</sup> August, 2023 and will be placed on the website of the Company and NSDL and will also be communicated to the Stock Exchanges. I now hand over to Ms. Nandini Piramal, Chairperson of the Company. Over to you Ma'am.
- **Ms. Nandini Piramal - Chairperson, Piramal Pharma Limited:**
- Good Afternoon, Ladies and Gentlemen. Welcome to the 3<sup>rd</sup> Annual General Meeting of the shareholders of the company. While this is the 3<sup>rd</sup> AGM of the

company, it is our first AGM as a separate demerged and listed entity. I hope you and your families are safe and in good health.

- This AGM is being held through video conferencing according with the circulars issued by the Ministry of Corporate Affairs and SEBI. Live proceedings of this AGM are also being webcast on the e-voting website of NSDL. The Company has taken the requisite steps to enable Members to participate and vote in the items being considered at this AGM. As the requisite quorum is present for the Annual General Meeting, I call the meeting to order.

- I will now introduce the Board of Directors of the Company.

Mr. Peter De Young, Executive Director.

Mr. Vivek Valsaraj, Executive Director.

Mr. Jairaj Purandhare, Independent Director and Chairman of the Audit Committee and Corporate Social Responsibility Committee.

Mr. S Ramodorai, Independent Director and Chairman of the Nomination and Remuneration Committee.

Ms. Vibha Paul Rishi, Independent Director and Chairperson of the Stakeholders Relationship Committee.

Mr. Sridhar Gorthi Independent Director.

Ms. Nathalie Leitch, Non-Executive Director.

Mr. Neeraj Bharadwaj, Non-Executive Director and Mr. Peter Stevenson, Independent Director, have expressed their inability to attend the AGM as they reside in different time zones than IST and have requested for leave of absence.

We also have key executives and senior management joining from their respective locations. Representatives of the Statutory Auditors and Secretarial Auditors are also present at this Meeting.

- The Company has taken all feasible efforts to enable the members to participate and cast their vote at this AGM. The e-voting facilities active and will be active until 15 minutes after the end of the discussion at the resolutions.
- I will now provide you with highlights of the year gone by. Financial year 2022 -23 has been an eventful year. In August 2022, we received the regulatory approval for the demerger from our parent company, Piramal Enterprises Limited and subsequently we listed on the Indian stock exchange on 19th of October 2022. The demerger simplifies our corporate structures, strengthens our governance

architecture with a dedicated board, optimizes our capital structure, and facilitates our businesses to independently pursue growth plans. It was a significant milestone for us and also the start of a new journey. A journey to scale up our businesses, optimize our profitability, integrate sustainability in our operations, and maintain high level of quality in all our products and services.

Today, we are a pharmaceutical company with global operations, providing end -to-end pharma services to our customers, and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals – (i) Piramal Pharma Solutions (“PPS”), an integrated contract development and manufacturing organization (“CDMO”); (ii) Piramal Critical Care (“PCC”), a complex hospital generics (“CHG”) business; and (iii) India consumer healthcare (“ICH”) business, selling over-the-counter (“OTC”) products.

- We have a commercial presence that is spread over 100 countries including the regulated markets of US, Europe and Japan through our 17 development and manufacturing facilities. We have built a strong platform with a team of over 6,000 committed employees, investments in niche capabilities and product portfolio, best in class quality and compliance track record and an unwavering commitment towards environment and society.
- We believe this platform will help us deliver sustainable growth over the long term and create value for all our stakeholders, including our customers, patients, employees, value chain partners and shareholders. During the year, our revenue from operations grew by 8% on a year-on-year basis to Rs. 7,082 crores with our CDMO business registering a year-on-year growth of 7%. While our CHG business and ICH business delivered a growth of 14 and 6% respectively. The like on like growth in our ICH business was 16%. Our EBITDA for the financial year was Rs. 853 crores, implying in EBITDA margin of 12%. However, adjusting for non-recurring items such as inventory margin and account of demerger of Rs. 68 crores, near expiry inventory provision of Rs. 92 crores on account of lower demand during the COVID-19 pandemic, and provision of receivables of 32 crores from Biotech customer are adjusted like to like EBITDA margin was higher at 15%.
- EBITDA margin during the year was impacted by lower than expected revenue growth, high inflationary pressure and additional fixed cost at sites that we're undergoing a capacity expansion. However, we are taking significant steps to contain our cost, improve our efficiency and taking judicious price increases to offset the inflationary pressure. Overall, the year gone by was a challenging one, marked by increasing interest rates post pandemic demand supply volatility and a significant rise in energy prices. All of these external factors had a meaningful impact on our financial performance. While we take measures to address both internal and external issues to ensure long term sustainable growth, we continue to maintain our

excellent quality standards. Five of our facilities underwent US FDA inspection since November 22, with three of them receiving zero observations and the remaining two, receiving the EIR from the US FDA. Over the last 10 years, we've also maintained a track record of zero OAI's (Official Action Indicated) from the US FDA.

- We have also made capital investments in capabilities such as High Potent API, Peptides, ADC and in vitro labs, that are in high demand and many of these went live towards the end of FY23. These will also help us improve the growth outlook going forward.
- Moving on to business specific updates, CDMO Business, we're seeing a good underlying demand for our integrated CDMO services, especially in the niche capability areas such as high potent API's, antibody drug conjugates, peptides, sterile injectables and hormonal products.
- During the FY23, we also witnessed a robust demand for our discovery services. The global CDMO industry is also seeing a healthy underlying demand as pharmaceutical companies continue to increase outsourcing to integrated service providers to gain access to specialized knowledge and technology, lower capex spends, increased speed to market and increase focus on core competencies. During the year, the customer decision making got delayed due to the macro-economic environment and pipeline prioritization based on limited capital availability, especially for the emerging biotech companies which impacted our order inflows and hence our revenue growth. However, customer visits to our facilities picked up from the second half of the last year and the RFP in-flows remained buoyant. Further, since the last quarter of the financial year, we have witnessed a significant up-tick in order in-flows which should help us drive growth in FY24.
- Complex Hospital Generics Business. In our Complex Hospital Generics business, we witnessed a healthy demand for our inhalation anesthesia products, both in the US and the non-US markets. As per IQVIA MIDAS MAT® Dec 2022 data, we are the leading player in Sevoflurane in the US with a value market share of approximately 40%. In order to meet this growing demand of Inhalation Anesthesia, we conducted a de-bottle necking exercise at our facilities in India and the US. We are also further expanding our capacities at the Dahej and Digwal facilities. Our vertical integration in the inhalation anesthesia segment not only gives us a cost benefit, but also allows us to have better control over the supply chain.
- In the injectable pain management portfolio, during the financial year, we experienced temporary supply constraints as we transition manufacturing from Janssen to our own preferred lower cost CMO. However, we were largely able to address the supply constraints by the end of the financial year, and our manufacturing output has improved materially over the last two quarters.

- In the intrathecal therapy segment in the US, we continue to command a leading market position with our brand Gablofen having approximately 78% value market share. Apart from our existing products, we're also building a new product pipeline with about 25 Plus products under different stages of development.
- India Consumer Healthcare Business, during the financial year of 2021 - 22, our India Consumer Healthcare business recorded a robust year-on-year revenue growth of 48% held by COVID-19 tailwinds. Despite this high base of FY22, our consumer business recorded a healthy like-to-like revenue growth of 16% in FY23. This was mainly driven by our power brands, Little's, Lacto Calamine I-Pill, Polycrol and Tetmosol, which registered a strong year-on-year growth of 37% during the year and contributed 42% to our total consumer healthcare revenue.
- We also continue to invest significantly on our brand building activities through media and trade promotion to build strong brands with a wide consumer base. Simultaneously, we're also widening our reach in general trade, modern trade and on e-commerce platforms to increase the availability of our brands. During the year, we witnessed a strong traction on the e-commerce platforms, which contributed 16% to our total consumer healthcare revenues. We also launched our own D2C (direct to customer) platform wellify.in to bolster our e-commerce presence.
- New product introductions have also been an important driver of growth for our consumer healthcare business. In FY23, we launched 26 new products and 37 new SKU's. New products launched over the last two years contribute 18% to our consumer business revenues.
- Sustainability, as a Company while we're aware of our responsibility to deliver on value creation for shareholders, through profitable growth, we're equally conscious of our role to integrate sustainable practices in our operations. We are working seamlessly to integrate our sustainable operations and principles by optimizing operational efficiencies, minimizing resource consumption, providing safe workplace for all employees, delivering quality products and services to customers and consumers, ensuring accountability and transparency across all our functions and enhancing the quality of life in the communities in which we operate. Sustainability has always been at the core of our operations. It is enshrined in our vision to become a globally leading integrated pharmaceutical company powered by sustainability inclusivity and ethics.
- In the previous financial year FY22, we had adopted a robust ESG framework built on the four pillars with 12 focus areas guiding us strategic and operational imperatives. We had also shared over 50 timebound ESG targets, which we would aspire to achieve over the next 3 to 5 years. I am pleased to say that we've made good progress and many of these ESG targets. Few of the important highlights to share are

we are now committed to SBTI (Science Based Target Initiative) and have also developed a companywide decarbonization plan to reduce our greenhouse gas emission in accordance with a 1.5 degree trajectory as suggested by SBTI. We had zero fatalities during the year. We improved on our gender diversity in FY23. We released our Human Rights Policy and Code of Conduct and Ethics to strengthen our governance. We also took initiatives in the areas of water conservation and responsible waste disposal. We will soon release our FY23 sustainability report next month to share our detailed progress on various other sustainability initiatives at PPL.

- On the CSR front, Piramal Foundation, the philanthropic arm of Piramal Group, took several initiatives to enhance the quality of life of the communities in which we operate through high impact solutions, thought leadership and collaboration. Through Piramal Foundation's Aspirational Districts Collaborative program, we have tried to contribute towards the uplifting of 10 crore lives that live below the poverty line in the 112 Aspirational Districts. Overall, sustainability for us is more than just being compliant with regulatory norms and standards, it's about giving back to the environment and community through purpose-driven operations and responsible governance. Moving forward, we will continue to make judicious investments to expand sustainable practices across our operations to minimise our environmental footprint and empower our people and communities to create a greener tomorrow and a better future for all.
- To summarise, I would like to say, that while our CDMO business had muted growth in FY23, we are witnessing the green shoots of recovery with a pick up in the order book and increased mix of innovator business, increasing demand for differentiated capabilities and a continued best-in-class track record in quality and compliance. We have taken efforts to reallocate resources in OpEx and CapEx towards our high demand sides. Our Inhalation Anaesthesia portfolio continues to see a healthy demand in the US and non-US markets, and we are expanding our capacities at our India and US facilities. Further, our India Consumer Healthcare business is delivering high growth driven by its power brands. As we move into the new financial year, I would like to thank all our colleagues across the globe for their tireless efforts and strong commitments. I would also like to thank our customers, consumers, suppliers, regulators, and of course, our shareholders, for lending support and keeping faith in us. We would like to extend our sincere appreciation to our board members for their guidance. We will continue to execute on our strategic priorities to create long-term value for all our stakeholders.
- Now, I will take up the resolutions as set forth in the notice. Thereafter, we will move to our discussions and Q&A session.

- Adoption of the Audited Financial Statements, (Standalone & Consolidated) and the Reports of the Board of Directors and Auditors thereon for the financial year ended March 31, 2023.
- Re-appointment of Neeraj Bharadwaj – Director, who retires by rotation.
- Special Business:
- Re-appointment of Mr. Peter DeYoung as Executive Director of the Company.
- Re-appointment of Ms. Nandini Piramal as Chairperson of the Company.
- Amendment of the Articles of Association of the Company.
- Issue of Non-Convertible Debentures on a private placement basis.
- Ratification of remuneration payable to Cost Auditors.
- The text of the resolutions, along with explanatory statements are provided in the AGM notice circulated to shareholders.
- I now invite shareholders who have pre-registered as speakers. To avoid repetition, the answers to all the questions will be provided towards the end.
- **Moderator:**
- Dear shareholders, when your name is announced, you will be sent an invitation to unmute your microphone. Kindly unmute your microphone, switch your camera on and speak. Please note, that only shareholders who have registered as speakers, and whose name is announced, may speak at the AGM. Kindly restrict all queries or comments to a maximum of 3 minutes.
- The 1<sup>st</sup> speaker is Ms. Lekha Shah.
- **Ms. Lekha Shah – Shareholder:**
- Respected Chairperson ma’am, board of directors and my fellow members, good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I’m very thankful to our Company Secretary Tanya Ma’am, and especially Pratibha Ma’am, for extending very good investor services, and also for sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. So, I’m very grateful to your Company Secretary along with Pratibha Ma’am. Thank you, Nandini Ma,a’am for such and informative and wonderful presentation. Thank you Nandini Ma’am for explaining to us about the company. Congratulations for the excellent work. Ma’am, I pray to God that he always showers his blessings upon you. On this landmark day, I would like to welcome all the directors and employees on behalf of shareholders .



Nandini Ma'am, if this was a physical meeting, I would have definitely welcomed with a bouquet of flowers. Ma'am, I would like to ask few questions.

- My first question is, how many products are in the pipeline in various stages of development in the current year? My second question is, what is the company market share in generic medicine in the domestic market? Ma'am, I strongly and wholeheartedly support all the resolutions for today's meeting, and my best wishes are always with our company and its prosperity. Thank so much Nandini Ma'am. You're really young, God bless you!
- **Moderator:**
- Thank you Ma'am. Our next shareholder to speak is Mr. Vinay Vishnu Bhide.
- **Mr. Vinay Vishnu Bhide – Shareholder:**
- Chairperson Mrs. Nandini Piramal, Executive Director Mr. Peter DeYoung, other esteemed directors present at today's AGM, company executives, fellow shareholders, good afternoon to all of you. As always, this year's Annual Report has been an excellent presentation, as has been the Piramal tradition for so many years now. So, thank you Madam for having given the complete 360° overview of the company's performance and its financials at the start of this meeting. To save common time, I'd quickly get down to a few quick questions which I've listed out. These questions are basically to understand the company's present and future better. The questions are as follows:
- First question is on the leadership message which you have provided on page 12 of the Annual Report. The company has maintained excellent track record of zero OAI's from the US FDA. In terms of procedures and process, what is it that we do differently from competition to maintain this track record? and, is this record the same with other countries and special agencies? So that was the first question.
- The subsequent two questions are on the brand portfolio and they're as follows:
- Which year did we buy Sloan's balm and do we pay royalty on this particular product? What has been the sales CAGR of Sloan's balm Liniment and spray put together since we acquired it? and, one more question on brand portfolio. Kids wellness range at 22% of the therapy sales seems to be doing well. Which of these products contribute to sizeable sales of the kids wellness range?
- These are the few questions which I have listed out for queries at this AGM. I request you to provide answers for these questions at the end of the AGM, or you can respond later on mail. I will close with best wishes to you ma'am, to the entire board

and to the company employees at all levels. Thank you for giving me an opportunity to speak.

– **Moderator:**

– Thank you, Sir. Our next shareholder to speak Mr. Aspi Bhesania had joined the meeting but has now logged out. So, we'll move on to Mr. Yusuf Yunis Rangwala.

– **Mr. Yusuf Yunis Rangwala – Shareholder:**

– Thank you Madam. I welcome you on the board. This is your first Annual General Meeting. Your father Ajay Piramal was dynamic. I believe, that with your father's guidance, you will make this company grow. Our company's Share Department is very good. As mentioned in the Annual Report, we have many products, we have 17 factories. What is the total staff present in these 17 factories? My second point is, we have 100 countries and 6,000 hospitals, as you mentioned on page 7. On page 9 you mentioned one more thing. Our company was listed in 2022, where I was invited. This shows how much you care for your shareholders. I thank you madam for inviting me for this listing. I was very proud to meet your father at the listing and you too. I'm very happy with your Chairman's speech. It was fantastic, polite and very knowledgeable for us. As you mentioned significantly scaled up of our pharma business since the Abbott deal. I would like to know what is this deal mentioned on page 9? Previously, you'll were manufacturing Anacin, which was a Piramal product. I would like to know whether Piramal sold Anacin? I have nothing more to add. My good wishes are there. There are 17 plants. If you could arrange a factory visit, that would be my humble request. I pray for you. Also, I'm very thankful to our excellent and hard working Company Secretary and her team who phoned me today to join this meeting. All of them are excellent. I have nothing more to add. I want to end my speech with a few verses – Phoolon ki Khushboo, kaliyon ki baahar. My best wishes for the upcoming festive season. If possible, do continue with this video conference meeting, but also keep a physical meeting next year. I pray for you. Do give my regards to your brother too. He too is dynamic, like the rest of your family. I have nothing more to add. You'll have my full support and I have voted in favour of all the resolutions. Thank you Madam. Jai Hind! I end my speech.

– **Moderator:**

– Thank you. Our next shareholder to speak is Ms. Prakashini Shenoy.

– **Ms. Prakashini Shenoy – Shareholder:**

– Hello, I'm Prakashini Ganesha Shenoy from Mumbai. Respected Honorable Chairman, other dignitaries on the board and my fellow shareholders, good evening to all of you. I received the Annual Report well in time which is colourful,

transparent, informative and contains all information as per Corporate Governance. I thank the Company Secretary and her team for the same. The Chairman has given a beautiful picture regarding the company and its working in all parameters. Thank you Chairman Sir. At the outset, I congratulate the management for dividend for FY22-23. I'm very happy to note that the company has done outstanding work in the field of CSR activities for FY22-23.

- Sir, I have few questions. What new innovations and products are being developed in our in-house R&D in the current year? What initiatives has our company taken to reduce carbon footprint and water conservation? In the current year, is there any expansion plan? My last question is, with rise in the price of raw materials, what impact would it have on our profitability? Last but not the least, my personal request is, please continue with VC, so that people all over the world will have an opportunity to express their views. I wish the company good luck for a bright future and pray to God that the profit of the company shall reach the peak in due course. I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you.

- **Moderator:**

- Our next shareholder to speak is Mr. Manoj Kumar Gupta.

- **Mr. Manoj Kumar Gupta – Shareholder:**

- Hello. Good Afternoon Respected Chairperson. My name is Manoj Gupta, I've joined this meeting from Kolkata. First of all, I congratulate you that you are our Chairperson, and Mr. Piramal has given you big responsibility to lead a pharma company in the nation. I believe, that you will fulfil the vision and dreams of your beloved father, and take the company to new heights under your leadership, with the help of the management team. I pray to God to give you more success in the coming times, to lead the company not just in India, but Piramal Pharma internationally. You have the blessings of your beloved mother Swati Piramal. She is a very experienced scientist and can innovate for your company to launch good products in the country and internationally. She will get big support from your family. You won't have to search outside for innovation of pharma, as she has vast experience. Thanks to the Company Secretary and her team for helping us to join this meeting through VC. I got 4-5 calls after registering as a speaker. Such type of service, should be there, and I've found that your team is very good. I went through Piramal Foundation's CSR before starting the AGM. That practice should be continued and that should spread its wings throughout the nation. You're doing lot of work there. What is your future plan? This is a country of 140 crores of population and a big pharma market. Since there are other big players, what challenges do you face in the pharma market and how do you face them? Now the Supreme Court has

issued a notice that you can't distributed free bites for marketing of samples. How do you see that challenge? Also, the government is brining a law that a pharma company cannot distribute. I also launched two charitable hospitals in Kolkata, a renowned hospital with over 200 beds. So, I find that some pharma companies are distributing to promote their brand at the cost of the patients. So, how do you see that market? Saradon is a very popular brand. Try to launch another similar product. Now you launch headache oil or a balm oil in the name of Saradon, so think about that. I was reading a media report in the papers that you have a plan of rights issue. When will you float the rights issue, and at what price? I will not say a single word on the accounts because we are very thankful to the Piramal family that we have got the shares free of cost, at we have got good return after listing in the stock market. When we meet next year on completion of full year of accounts, then we'll discuss about the accounts. Like I already mentioned, take help of innovation. Also, what is your plan for generic medicines? Our visionary Prime Minister is taking positive steps with the help of several states to launch generic medicines to reduce the patients' medical bills. So with this, I thank you, with the hope that you'll take the company in the right direction to new heights, with the blessings of your parents and your entire team's support. Thank you.

– **Moderator:**

– Thank you Mr. Gupta. I now invite Mr. Prateek Kumar Sen to share his thoughts with us.

– **Mr. Prateek Kumar Sen – Shareholder:**

– Thank you for having me Nandini Ma'am. It's a pleasure getting the opportunity to talk to you. Our company has an industry-leading track record of regulatory compliance, which is kind of commendable in the pharma sector. All thanks to the management of Piramal Pharma and everyone.

– I have just two quick questions. My first question is, I've observed that several factors are leading to muted growth of the CDMO business. So, can you please provide me more details into the specific challenges faced during the year, and what we are doing to address those issues? And if possible, specific timeline for the recovery of this segment.

– My second question is, in the last con call, it was mentioned that if the consumer healthcare vertical processed 1,000 crores of revenue, it will have a positive impact on the bottom line. I would just like to know about the key growth drivers that will help us get there. Are there any specific product categories or regions that we're focusing on?

- So, those were the questions. Lastly, I would like to say that, being a long-time shareholder of Piramal Enterprises, I was always fascinated about owning Piramal Pharma. But, the journey of the team has been a bit challenging. I kind of believe that we have received more than a fair share of debt during the demerger process, and while Piramal Enterprises is doing a buyback, we are doing a rights issue. Anyways, I hope we get to see improved results and positive trajectory for the business. That's all from my side. Thank you very much.
- **Moderator:**
- Our next speaker shareholder is Mr. Sanjeev Damani.
- **Mr. Sanjeev Damani – Shareholder:**
- Namaskar! My respect for the founder promoters, board of directors and all the management and employees of the company. I'm proud to be a shareholder of this company. Mine is a very generic submission about the overall working of the company. We have been paying lot of interest and we've not been able to report profits that we should've reported. It has been mentioned that you've got some 17 various manufacturing facilities or CDMO facilities, etc. I'm not a technical person, so I'll not be able to give correct words for each of them. But, we have lot of capital invested into all such units. So, have we ever done unit-wise evaluation whether running these kinds of units are giving us profits or not? I mean, it is always good to be optimistic in the business, but how do we better utilise all our resources optimally, so that we reduce our cost of operations, that is one. Cost of interest, that is second. I mean, it's a great enterprise and everybody knows Piramal Group and your good practices are widely known in society. So, such a good company should really perform financially as well. We know lot of competition is there, lots of issues are there. We have seen many many small organisations going far ahead from our company from all side, I would not like to name any one of them. But, we all know that in India, we were one of the oldest, and we as a company have acquired very very good companies which were multinationals, and then we have made them run and grow.
- So, now I would like to have two questions to be answered – one is whether we are really evaluating each unit and its prospects as to investment made and the output that we're getting from them. And secondly, what are the programs to reduce overall cost of operations of the company to... I mean, apparently from a distance to me it looks like an elephant enterprise. So, you know how we can merge you know subsidiaries and all that make a single unit. Thank you very much and all the very best to you, Chairman Madam - Nandini Madam. My respect for you and all the best for you in coming years. Thank you.

- **Moderator:**
- Thank you, Mr. Damani. Our next shareholder who register to speak is Mr. Kamal Kishore Jhawar. Mr. Jhawar, could you kindly unmute your microphone, do switch your camera on if you
- **Mr. Kamal Kishore Jhawar – Shareholder:**
- Hello, am I audible?
- **Moderator:**
- Yes Sir, we can hear you and see you. Please go ahead. Mr. Jhawar, kindly unmute your microphone.
- **Moderator:**
- We will move on to our next speaker, Mr. Om Prakash Kejriwal. Mr. Kejriwal, we can see you, kindly unmute your microphone.
- **Mr. Om Prakash Kejriwal – Shareholder:**
- Am I visible madam?
- **Moderator:**
- Yes Sir, you are.
- **Mr. Om Prakash Kejriwal – Shareholder:**
- Good afternoon, Madam ji and good afternoon everybody attending this AGM. Myself, Om Prakash Kejriwal, your equity shareholder from Kolkata. Thank you, young, dynamic, and beautiful Chairperson for providing me the platform to speak something before you. Thanks to our secretarial department for helping me in registration as a speaker-shareholder, especially thanks to Pratibha madam ji for calling me and taking my note. Madam ji, this is my first AGM only due to virtual. It is just an opportunity for me to attend this AGM sitting in Kolkata. If possible, please follow this virtual AGM next year also, so that more and more people can join our AGM from different parts of the world. Madam ji, I got your physical copy of annual report. Nice annual report, everything presented beautifully. There is everything, every data which the shareholder wants. Thank you, Madame ji for providing - for making such a beautiful annual report. Madame ji on equity of ₹1,193 crore, our revenue is 3,784 crores in standalone basis. It means our revenue is only 3 times of our equity. In consolidated account, our revenue is only 6 times of our equity, it means we are over equity company. It means we are unable to roll our capital. Our capital is misused somewhere and in addition to this, we are paying ₹116 crores as interest, so I think it is just a mismanagement of capital. Madam ji please check it up or otherwise we never came in dividend list. Over and above, we are coming out with right issue. It will further increase our equity. Madam ji, can you tell me the

purpose of this right issue and when we deliver net profit in consolidated account? Madam ji, I am a regular customer of your medicine Refresh Tears since 2020. My whole family is using it. There is an instruction on the pack, use the solution within one month after opening the container. My daughter is using the same medicine in USA, but there is another instruction, use a solution within 90 days after opening the container, why such a difference, Madam ji please let me know? Factory visit - if possible, please organize a factory visit so that we can see our plant. At last madam ji please maintain your smile and be cheerful, we are always with you as a long-time investor. Thank you. Thank you, Madam ji.

– **Moderator:**

– We move on to our next registered shareholder, Mr. Bimal R. Bhatt. Mr. Bhatt, we can see you and you are audible.

– **Mr. Bimal R. Bhatt – Shareholder:**

– Am I audible?

– **Moderator:**

– Yes Sir, you are.

– **Mr. Bimal R. Bhatt – Shareholder:**

– Honorable Chairperson, Board of Directors, key manager personnel, and my dear colleagues, hearty congratulations to team Piramal for the performance looking to the overall internal and external factors we are facing. It is equally true that our businesses are already old one, only the legal structure has changed in last year. As a fair shareholder, I have shared my 13 observations to co-create a better corporate citizen. Thank you, Company Secretary and staff for the necessary support and help. We are partner in the progress of the company and therefore, critical and constructive dialogue is a necessary for better results and the outcome. Today in the morning at 10:00 o'clock, I have received the company's response to my observations. Thank you very much. Let me also clarify that a lot of responses are already available in the annual report, which I've already gone within limited time I have got through printed report. Hence, specific responses are desirable to the extent possible. I will now touch upon some of the issues out of my 13 observations. First question is about the business value creation. Let me clearly say that annual report is not reflecting because we have not gone for integrated report. So, when our company is going to report? I hope March 24 will have a business value creation under the heads of input, processes, vision outcomes, and the output. It is a fundamental necessity. Our structure is only changed, our business as not changed, let us understand. Second thing about the Directors profile, yes, I have already gone it, it is detail mentioned. I have requested for an accounting expert not a finance into tax expert, so may I suggest the name of let's say like accounting wizard like Mr. Mukund Chitale or Mr. Amar ji Chopra both are past President of the Institute of Chartered Accountants, as an Independent Director on our board.

- **Moderator:**
- Mr. Bhatt, you need to conclude this as soon as possible, your time is up.
- **Mr. Bimal R. Bhatt – Shareholder:**
- Another issue is about promoter shareholding, it is about 34%. I have not asked for compliances, it is bound to be there okay, I know it. I have asked for its adequacy looking into the world competitive scenario in the pharmaceutical industry. Another issue I have raised about the FDI 20% by a single shareholder.
- **Moderator:**
- Mr. Bhatt, I think you switched your microphone back to mute. Mr. Bhatt, we appear to have lost audio connectivity with Mr. Bhatt. We will move on to our next speaker speaker-shareholders, Mr. V Ravichandran.
- **Mr. V Ravichandran – Shareholder:**
- Is it okay?
- **Moderator:**
- Yes Sir, we can hear and see you. Mr. Ravichandran?
- **Mr. V Ravichandran – Shareholder:**
- Am I audible now?
- **Moderator:**
- Yes Sir, you are.
- **Mr. V Ravichandran – Shareholder:**
- Yeah good afternoon, Chairperson and all the members who are attending the AGM. First of all, I would like to congratulate, you know in a certain environment company has performed and it got listed last year only, so I was not a shareholder of Piramal Enterprises, so I bought the share only after it got listed. So, I'm a new shareholder to say. Sir, I've got 8 points to make. First point is on the equity. Mr. Kejriwal has already elaborated on the bloated equity, so my question is when do you target to you know pay dividend to the shareholders? So, is there a timeline? You must definitely be having some plans do you have a timeline to reward the shareholders in terms of dividend payout? This is point no.1. Point no. 2 is, US and Europe, they have their own problems. US is undergoing you know supply chain changes to reduce the cost and they have a huge, high level of inflation and all, so all the companies that are having a presence - all our pharmaceutical companies that have presence in America are seeing a shrink, lower margin, so this company is having a dependence on Europe and America to the extent of more than 70%. So, what are



the plans of the company to come out of it, diversified in terms of geographical location so that the concentration is slightly removed, so the company can see better margins? This is point no. 2. Point no. 3 is, CHG business, are there exclusive arrangements with these hospitals or others also have room to play because you may be committing your plants for this particular business products and business, so are there any exclusive arrangements or others are also there? And if so, are there any opportunities to expand the hospitals? This is another point and the next point is, the conflict in Ukraine and the dependence on China, do you have any you know - what is the assessment - what is the impact of this Ukraine conflict and whether the company is having dependence on China? This point you may like to clarify and are there any - see the present government, the Government of India has been emphasizing on reducing the dependence on imports, so Atmanirbhar, PLI schemes and all, so are there any plans - see your company is having plans to expand the product category, but are there any plans to exclusively help the government in its efforts? This also you may like to clarify and I have three points on the accounts. This trade payable, the numbers given in the balance sheet standalone, this is standalone balance sheet and the notes referred to 42 and 43, the numbers are not matching. Same is the case with the P&L, sorry consolidated balance sheet where the CWAP numbers given in balance sheet and the aging of CWAP, they are not matching and also one more point, there is a CapEx CWP of 164 crores, which is more than three years, so I would like to know what are the reasons? Why is it pending for more than three years? and the last point is on the finance costs. So, it has almost - it has more than doubled, so are there any plans to reduce the finance cost? Please don't tell me through rights issue, we are planning to reduce the finance costs, but the debt requirement is also very high on the company side. so, these are my points. I wish you all the best for better performance in the future. Thank you.

– **Moderator:**

- With this, all shareholders who registered to speak and did login have now been given an opportunity to express themselves and I hand the proceedings back to our Chairperson. Over to you Ma'am.

– **Ms. Nandani Piramal – Chairperson, Piramal Pharma Ltd.:**

- Thank you, everyone. I'm going to try and answer the questions as best as I can. How many products are there in the pipeline, we have 27 plus products in the pipeline in the CHG business and we have more than 100 products in the ICH business that are in the pipeline and these would be at various stages of development. What is our company market share in the generic medicine in the domestic market, do we do we have any plans for acquisitions for company, currently we're not very present in the branded generic market in India. We are only in the OTC market. At the moment, I think currently we're going to focus on executing our planned CapEx. We'll decide if there's any strategic fit and valuation. In the OTC and in our CHG market, I think we'll continue to look for brands that would fit our portfolio and we shall see. Our company has maintained an excellent track record of 0 OAI's from US FDA. What do we do differently and track record, I

think our track record is very similar with other agencies. We are also audited by our customers. In the last 10 years, we've cleared over 300 regulatory inspections including 41 US FDA. We've also been audited by UK MHRA, European Medicines Agency, Japan PGMA, Health Canada, WHO, and in the last 10 years, we've also over 1,600 customer audits. The way we are, because we get audited so many times, our quality process, governance, review and monitoring system, we've talked about it a little bit in our annual report at page 44 to 47, but I think that makes it actually very, very strong.

- For our brand portfolio, which year did we buy Sloan's Balm and do we pay royalty, what has been this CAGR and we acquired Sloan's in 2016. We don't actually really talk about brand wise performance, but we've grown at over 30% overall as a portfolio. We don't pay any royalty for Sloan's. Our Kids Wellness being is 22% of our therapy sales. Which are these products are brands of Little's Jungle Magic and Cub Care. Little's is one of the focused brands, it's one of the largest brands in the portfolio. What was the other deal, did we sell entire farmer business to Abbott? We sold our branded generics formulations business to Abbott, but our CDMO, CHG, and ICH businesses continued and that is now part of PPL. Anacin was part of the erstwhile domestic formulations business which we have exited. How many staff in the factory, about 5,000 in the factories, 915 in the consumer products.
- Current year expansion plans, we've got a series of expansions at various sites offering differentiated capabilities. For example, in Riverview, Michigan, we did an expansion which we just opened. In Grangemouth, we will do an expansion and that will open the second-half of the year. In Turbhe also we expanded and increased capacity. Measures for reducing carbon footprint, we are using renewable energy sources like hydro, solar. We're gonna look at replacing coal with biomass and improving overall energy efficiency. Decarbonization plans have been prepared to reduce our carbon footprint and we will continue to look at other options such as third-party open access, group captive solar energy, so these are kind of some of the things that we're trying to do.
- How to deal with the government restrictions on distribution of pharma products, we're primarily into exports from India with over 85% our revenues coming from exports and our India business is primarily in the OTC business, which is not so impacted by these regulations. With the rise in the cost of raw materials what would be the impact on profitability, while the raw material price did increase, they have started to soften. We've undertaken strategic sourcing and we continue to look at you know reducing and optimizing usage is through various operational excellence initiative. When will the rights issue at the right and the price, the rights issue opens on 8<sup>th</sup> August and it closes on 16<sup>th</sup> August. The rights issue price is Rs. 81 and the record date is the 2<sup>nd</sup> of August. Piramal needs to identify the sites which are not serving the purpose and should consider to dispose them off and we can concentrate on profit making sites. There's a need to trim the organization structure and some of our sites are currently not at scale and we're working on growing them. We also find that when we do an integrated project that covers multiple sites, I think that helps us increase our relevance with the shareholders.

- What is the purpose of the rights issue, it is predominantly to reduce debt. Why the difference instructions in using the same products in India and other countries, Refresh Tears is a product of our JV Company with AVI, Allergan India Limited. It's dependent on local requirements as directed by AVI because that's on country specific regulations.
- Dividend payout, dividend decisions made by the board depending on profitability and investments, our decision not to pay dividends for FY23 because we had a difficult year, but we will look forward and reinstating that.
- Impact of Ukraine and Russia on the company, so I think we saw last year there was a general inflation especially in energy prices in the UK and the US as well as inflation and raw material prices. Now, those have gradually started softening and we're seeing that impact reducing. Dependency on China, our dependence on China is less than 10% of our raw materials and we can continue to see that, we'll look at doing even more in India.

So, we have tried to answer all the questions raised by the shareholders. If you have not cast your vote and set out in the notice of the AGM, please do the e-voting through e-voting facility that's available on the NSDL platform. The facility will be available for the next 15 minutes. With your consent, I and the other Board Members would like to leave the meeting and authorize Ms. Tanya Saneesh, Company Secretary to conduct the voting procedure and conclude the meeting. I once again take the opportunity to thank all the shareholders for attending the meeting and for your continued support to the company. I also like to thank the Directors for joining the meeting audio-video means today. Thank you.

**End of Transcript**