



**Jubilant Life Sciences Limited**  
**42<sup>nd</sup> Annual General Meeting**  
**September 11, 2020**



**SPEAKERS:**

**MR. SHYAM S. BHARTIA - CHAIRMAN**  
**MR. HARI S. BHARTIA - CO-CHAIRMAN & MANAGING DIRECTOR**  
**MR. S. SRIDHAR - INDEPENDENT DIRECTOR & CHAIRMAN, AUDIT COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE**  
**MS. SUDHA PILLAI - INDEPENDENT DIRECTOR & CHAIRPERSON, NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE**  
**DR. ASHOK MISRA - INDEPENDENT DIRECTOR & CHAIRMAN, SUSTAINABILITY AND CSR COMMITTEE**  
**MR. SUSHIL KUMAR ROONGTA - INDEPENDENT DIRECTOR & CHAIRMAN, RISK MANAGEMENT COMMITTEE**  
**MR. VIVEK MEHRA - INDEPENDENT DIRECTOR**  
**MR. ARUN SETH - INDEPENDENT DIRECTOR**  
**MR. RAJESH KUMAR SRIVASTAVA - WHOLE-TIME DIRECTOR**  
**MR. PRIYAVRAT BHARTIA - NON-EXECUTIVE DIRECTOR**  
**MR. ARJUN BHARTIA - NON-EXECUTIVE DIRECTOR**  
**MR. ANANT PANDE - WHOLE-TIME DIRECTOR**  
**MR. PRAMOD YADAV, CHIEF EXECUTIVE OFFICER, JUBILANT PHARMA LIMITED**  
**MR. ALOK VAISH - CHIEF FINANCIAL OFFICER**  
**MR. RAJIV SHAH - COMPANY SECRETARY**



*Jubilant Life Sciences Limited  
September 11, 2020*

**Moderator:** Good Morning, Members. Welcome to the 42<sup>nd</sup> Annual General Meeting of Jubilant Life Sciences Limited through video conferencing. For the smooth conduct of the meeting, all the members will be in the mute-mode. Please note that for the requirement, the proceedings of the Annual General Meeting are being recorded and the transcript of the proceedings shall be available on the Company's website. With this, I now hand over the proceedings to Mr. Shyam S. Bhartia, Chairman who joined from Delhi. Over to you, Sir.

**Shyam S. Bhartia:** Thank you. Good morning, everyone. I am delighted to welcome you to the 42<sup>nd</sup> Annual General Meeting of the company. I highly appreciate your taking time out today to attend this annual general meeting being convened through video conferencing in compliance with the provisions of the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. The Company has made necessary arrangements to enable the members to participate in the meeting through video conferencing facility and vote electronically.

As the requisite quorum being present, I call the meeting to order.

As the annual general meeting is held through video conference, the facility of appointment of proxies by members is not made available.

I would now introduce other Board members who have joined this meeting through video conferencing. From top left to your screen is Mr. S. Sridhar, Independent Director and Chairman of the Audit Committee and Stakeholders Relationship Committee joining from Mumbai; Ms. Sudha Pillai, Independent Director and Chairperson of Nomination, Remuneration and Compensation Committee, joining from Delhi; Dr. Ashok Misra, Independent Director and Chairman of the Sustainability and CSR Committee, joining from Bengaluru Mr. Sushil Kumar Roongta, Independent Director and Chairman of the Risk Management Committee, joining from Gurugram; Mr. Vivek Mehra, Independent Director joining from Mukteshwar, Uttarakhand; Mr. Arun Seth, Independent Director joining from Delhi. To my left on the screen, Mr. Rajesh Kumar Srivastava, Whole-time Director joining from Noida. To my right on the screen, Mr. Hari S. Bhartia, Co-Chairman and Managing Director joining from Delhi. Now, I shall introduce those on the bottom of the screen starting from left of the screen, Mr. Priyavrat Bhartia, Non-Executive Director joining from Delhi; Mr. Arjun Bhartia, Non-Executive Director joining from Delhi; Mr. Anant Pande, Whole-time Director joining from Noida; Mr. Pramod Yadav, CEO-Pharma, joining from Yardley, USA; Mr. Alok Vaish, Chief Financial Officer, joining from Gurugram; Mr. Rajiv Shah, Company Secretary, joining from Noida. The Statutory Auditors and Secretarial Auditors are also participating in the meeting.

Good Morning, Ladies and Gentlemen. A very warm welcome to the 42<sup>nd</sup> Annual General Meeting of Jubilant Life Sciences Limited. It is a pleasure to connect with you all again, although this time we meet virtually. On behalf of the Jubilant Life Sciences Limited's Board of Directors, I want to thank you for taking the time out to join us today.



*Jubilant Life Sciences Limited  
September 11, 2020*

Calendar year 2020 started with the spread of COVID-19 pandemic. Despite the COVID-19 related lockdowns, we have been able to ensure continuity in our manufacturing operations across all business segments while at the same time ensuring safety of our employees. I take this opportunity to thank all our employees who have worked tirelessly across all our plants and offices to ensure continuity in company's operations, while continuing to serve our global customers.

### **Performance Review**

The earnings performance from our Pharmaceuticals segment and Drug Discovery and Development Solutions segments rendered the Company with record profitability and improvement in margins during the year. The Company reported Total Revenue from Operations at Rs. 91,544 million, with International revenues at Rs. 71,240 million, contributing 78% to the total revenue. Our Pharmaceuticals revenue for FY 2020 was at Rs. 57,143 million, up 7% YoY and contributed 62% to the total revenue. Our Life Science Ingredients (LSI) business reported turnover of Rs. 31,790 million in FY 2020. Our Drug Discovery & Development Solutions segment's revenue improved by 21% YoY to Rs. 2,615 million, contributing 3% to the total revenue.

The Company's (EBITDA) Earnings before Interest, Tax and Depreciation and Amortization was 12%, higher YoY at record level of Rs. 19,945 million, with a margin of 21.8%, an improvement of 231 basis points over the previous year. This was mainly led by our Pharmaceuticals segment, which reported EBITDA of Rs. 15,555 million, a growth of 13% YoY with a margin of 27.2%. The Pharmaceuticals segment accounted for 78% of the overall EBITDA for the Company during the year. LSI business reported EBITDA of Rs. 4,310 million in FY2020 while it's EBITDA margins improved to 13.6% from 12.6% in the previous year. Profit After Tax stood at Rs. 8,982 million, up 56% YoY with an Earnings Per Share (EPS) of Rs. 56.39.

From the Balance Sheet perspective, as on March 31, 2020, the Company's Net Debt on a constant currency basis came down to Rs. 29,760 million, a reduction of Rs. 5,140 million. Net Debt to EBITDA ratio improved to 1.6x from 2.0x as on March 31, 2019. From return ratios standpoint, we significantly improved the Company's RoE (Return on Equity) to 17.5% in FY2020 as compared to 12.9% in FY2019.

I would like to give a special mention that during the year, company's wholly owned subsidiary, "Jubilant Pharma Limited (JPL), Singapore" redeemed the principal amount of USD100 million notes together with accrued interest on a pro rata basis out on the total outstanding notes of USD300 million.

Q1 has been a challenging quarter for all of us due to the adverse impact of the COVID-19 pandemic. We too witnessed a temporary negative impact on our operations. However, we have



*Jubilant Life Sciences Limited  
September 11, 2020*

seen substantial improvement in demand in most of our business segments from June 2020 onwards, be it Specialty Pharma, CMO, API and Specialty Intermediates. Given the strong demand recovery and expected new business sign-ups, we believe COVID-19 is not likely to have a material impact on our overall performance during FY21, provided the pandemic situation does not materially deteriorate going forward.

#### **Dividend**

Based on the recommendation of the Board of Directors, the Company paid an interim dividend of Rs. 5 per share on equity share face value of Re. 1 on March 18, 2020. This has resulted in cash outflow of Rs. 796.41 million excluding Dividend Distribution Tax. The Board of Directors did not recommend a final dividend for the Financial Year 2019-20.

#### **Strategic Initiatives**

##### Remdesivir

In May 2020, Jubilant entered into a non-exclusive Licensing Agreement with Gilead Sciences, Inc. that granted it the right to register, manufacture and sell Gilead's investigational drug remdesivir in 127 countries including India. I am also glad to announce that in July 2020, the Company received approval for manufacturing and marketing its remdesivir product in India. The company launched its remdesivir product under the brand name "JUBI-R" in the first week of August 2020. The Company is making the drug available to over 1,000 hospitals providing COVID-19 treatment in India through its distribution network.

##### Restructuring Update

Post the board approval on October 25, 2019 for reorganizing the businesses of the Company in November 2019, the Company had filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Composite Scheme of Arrangement for amalgamation of certain Promoter Group entities into the Company and Demerger of the Life Science Ingredients business into the Resulting entity which shall be listed on both the stock exchanges with a mirror shareholding.

Upon receipt of no objection letters from BSE and NSE in January 2020, the Company had filed application for approval of the composite scheme of arrangement with National Company Law Tribunal, Allahabad Bench ("NCLT").

Pursuant to first motion order of NCLT received in June 2020, the Company on August 8, 2020 arranged NCLT convened meetings of Shareholders, Secured creditors and Unsecured creditors of JLL for voting on the Composite Scheme. During this meeting, the Shareholders, Secured creditors and Unsecured creditors of JLL approved the Composite of arrangement.



*Jubilant Life Sciences Limited  
September 11, 2020*

Though COVID-19 related lockdowns had delayed NCLT hearings earlier, now with the easing of the lockdown, it is expected that the composite scheme of the arrangement may be heard by NCLT in its normal course without any significant delays going forward.

#### Social Responsibility Update

Jubilant Bhartia Foundation with an objective to save precious lives and increase accessibility of 'JUBI-R', has launched a unique program aimed at distribution of drug to patients below poverty line and to frontline paramedical staff. Our Specialty Ingredients business started production of hand sanitizer with brand name "Hands Together" at two of our manufacturing facilities in Gajraula and Nira. We started distribution of "Hands Together" to pharmacies as well as directly to hospitals.

Jubilant Bhartia Group companies continue to support both central & states, in controlling the spread of COVID-19 pandemic in the spirit of the Group's promise of Caring, Sharing, Growing. We have taken several measures at the grassroot level in the areas of health & safety, food & ration distribution, sanitization, communication, medical & medicine, distribution of PPEs and support to the administration across various locations.

I would like to thank all our valued stakeholders including our customers, vendors, bankers and shareholders for their continued support. Meanwhile, I hope all of you and your families stay well and safe. May the coming year be successful for all of us. Thank you.

We have received queries from a shareholder, Mr. Sunil Kothari regarding employee cost and stoppage of manufacturing at API plant at Nanjangud in the state of Karnataka.

Our employee costs are in line with major listed Indian pharmaceutical companies. We continually optimize our costs including employee costs. We also plan to launch more profitable products that coupled with operating leverage would aid in reduction of employee costs as % of total revenues.

Also, due to COVID-19 positive tested case, as a precautionary measure, the Nanjangud plant operations were temporarily suspended. We carried out disinfection of all plant areas. Nanjangud operations have resumed from June 2020. With that, we are pleased to report that all our manufacturing and research facilities in Pharmaceuticals as well as Life Sciences Ingredients and Drug Discovery and Development Solutions (DDDS) are fully operational.

The Company distributed masks, sanitizers to policy makers, health and administrative staff within the state of Karnataka. Furthermore, daily wage workers are being supported through various networks to ensure access to food, masks, and soaps.

We shall now take up the formal agenda of the meeting.



*Jubilant Life Sciences Limited  
September 11, 2020*

The statutory registers as required under the Companies Act 2013 along with the Certificate issued by the Statutory Auditors, pursuant to the SEBI (Share Based Employee Benefits) Regulations 2014 are available for electronic inspection on the NSDL website under the tab 'AGM Documents.'

The Statutory Auditors and Secretarial Auditors have expressed unqualified opinion in their respective audit reports for the financial year 2019-20. There were no qualifications, observations or adverse comments on the financial statements and matters which have any adverse effect on the functioning of the Company.

As the AGM Notice along with the Annual Report for the financial year 2019-20 are already circulated to the members through electronic mode, I take the Notice convening the meeting as read.

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the Company had provided remote e-Voting facility to the members from 8th September, 2020 to 10th September, 2020 to cast their votes electronically on all the Business items set out in the AGM Notice.

Members who have not cast their votes through remote e-voting and are participating in this meeting may cast their votes through the e-voting system provided by NSDL. The icon for e-voting is available on the top of your screen. The e-voting facility is active now and will be closed along with the closure of the meeting.

We will now take up the agenda items as set forth in the AGM Notice listed as Ordinary Business and Special Business.

Item no. 1: To consider and adopt the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 along with the Reports of the Board of Directors and the Auditors thereon.

As I am interested in the agenda item no. 2, I request Mr. S. Sridhar to take the chair for this item.

**S. Sridhar:**

Thank you Mr. Bhartia.

Item no. 2: To appoint a director in place of Mr. Hari S. Bhartia. (DIN: 00010499) who retires by rotation and, being eligible, offers himself for re-appointment.

I now request Mr. Shyam S. Bhartia to chair the meeting.

**Shyam S. Bhartia:**

Thank you.



*Jubilant Life Sciences Limited  
September 11, 2020*

Item no. 3: To appoint a director in place of Mr. Rajesh Kumar Srivastava, (DIN: 02215055), who retires by rotation and, being eligible, offers himself for re-appointment.

Now, an item of Special Business considered by the Board as unavoidable is proposed for the approval of the members by way of Ordinary Resolution.

Item no. 4: Approval of Remuneration of Rs.4.75 Lac to be paid to M/s. J.K. Kabra & Co., Cost Auditors for the Financial Year 2020-21.

The text of the resolution along with Explanatory Statement is provided in the AGM Notice circulated to the members.

Members may note that the e-voting on the NSDL platform will continue for the next 30minutes. Thereafter the proceedings of the meeting shall be closed. Members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Devesh Vasisht, Partner of M/s Sanjay Grover & Associates, Company Secretaries, as the scrutinizer to supervise the e-voting process. The result of the voting shall be declared not later than 48 hours of the conclusion of the meeting. Results shall also be available on the website of the Company, Stock Exchanges and NSDL and shall also be available at the Registered Office and Corporate Office of the Company.

I once again, thank you all for participating in the AGM.

**Rajiv Shah:**

Thank you Sir. On behalf of the members present, I propose a vote of thanks to the chair. Thank you, everyone.