



“Jubilant Pharmova Limited 43rd Annual General Meeting”

Wednesday, September 22, 2021



BOARD OF DIRECTORS/KMP:

MR. SHYAM S. BHARTIA – CHAIRMAN

MR. HARI S. BHARTIA – CO-CHAIRMAN AND MANAGING DIRECTOR

MR. S. SRIDHAR – INDEPENDENT DIRECTOR & CHAIRMAN (AUDIT COMMITTEE & STAKEHOLDERS RELATIONSHIP COMMITTEE)

MS. SUDHA PILLAI – INDEPENDENT DIRECTOR & CHAIRPERSON (NOMINATION, REMUNERATION & COMPENSATION COMMITTEE)

DR. ASHOK MISRA – INDEPENDENT DIRECTOR AND CHAIRMAN (SUSTAINABILITY & CSR COMMITTEE)

MR. SUSHIL KUMAR ROONGTA – INDEPENDENT DIRECTOR & CHAIRMAN (RISK MANAGEMENT COMMITTEE)

MR. VIVEK MEHRA – INDEPENDENT DIRECTOR

MR. ARUN SETH – INDEPENDENT DIRECTOR

MR. PRAMOD YADAV – NON-EXECUTIVE DIRECTOR

MR. ARVIND CHOKHANY – GROUP FINANCE OFFICER & WHOLE-TIME DIRECTOR

MR. ARJUN BHARTIA – NON-EXECUTIVE DIRECTOR

MR. ARUN SHARMA – CHIEF FINANCE OFFICER

MR. RAJIV SHAH – COMPANY SECRETARY



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Moderator: Good Morning Members. Welcome to the 43rd Annual General Meeting of Jubilant Pharmova Limited through video conferencing. For the smooth conduct of the meeting, all members will be in mute mode. Please note that for the requirement, the proceedings of the Annual General Meeting are being recorded and 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 has joined the meeting from Dubai. Thank you and over to you sir.

**Shyam S. Bhartia:
(Chairman)** Thank you. Good Morning everyone,

I am delighted to welcome you to the 43rd Annual General Meeting of Jubilant Pharmova Limited. I trust and hope that you and your family and friends are safe and keeping well. I highly appreciate your taking out time 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 all the necessary arrangements to enable the members to participate in the meeting through the video conferencing facility and vote electronically. As the requisite quorum is present, I call the meeting to order.

As the Annual General Meeting is being held through video conference, the facility of appointment of proxies by the members is not made available.

I would now introduce other Board members and KMPs who have joined this meeting through video conference.

- Mr. S. Sridhar – Independent Director and Chairman of 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 Mumbai
- Mr. Arun Seth – Independent Director, joining from Dubai.
- Mr. Hari S. Bhartia – Co-Chairman and Managing Director, joining from Delhi.
- Mr. Pramod Yadav – Non-Executive Director, joining from Yardley, USA.
- Mr. Arvind Chokhany – Group Finance Officer and Whole-Time Director, joining from Noida.



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- Mr. Arjun Bhartia – Non-Executive Director, joining from Delhi.
- Mr. Arun Sharma – Chief Financial Officer, joining from Noida.
- Mr. Rajiv Shah – Company Secretary, joining from Noida.
- Mr. Priyavrat Bhartia has not been able to join this meeting due to pre-occupation.

The Statutory Auditors and Secretarial Auditors are also participating in the meeting.

Good morning ladies and gentlemen.

A very warm welcome to the 43rd Annual General Meeting of Jubilant Pharmova Limited.

I am glad to mention that during the year we completed the demerger exercise effective from Feb 1, 2021, the Life Science Ingredients business was demerged into Jubilant Ingrevia Limited and name of the Company was changed to Jubilant Pharmova Limited from erstwhile Jubilant Life Sciences Limited. This demerger has enabled us to create separate and focused entities for Pharmaceuticals and Chemicals businesses to unlock value for the shareholders.

During the last financial year the world's economic, social and health infrastructures were severely challenged by the COVID-19 pandemic, which adversely impacted the global economic output.

As per IMF, in 2020 the global economy contracted by 3.3%, advanced economies by 4.7% and Emerging and Developing Markets by 2.2%. The Indian economy too had its share of turmoil as it contracted by 7.3% in FY 2021. However, the advent of vaccines and adaptability against COVID-19 means that the global economy is expected to witness a strong rebound with an expected growth in output by 6% and 4.4% in 2021 and 2022 respectively. Indian economy is expected to grow by 9.5% in FY 2022 and 8.5% in FY 2023.

The global pharmaceutical market size in CY 2020 was estimated at USD1.3 trillion and is expected to expand at a compounded annual growth rate (CAGR) of 3%-6% to USD1.6 trillion by 2025.

As per the Department of Commerce, India's pharmaceutical exports during FY 2021 grew by 18% year-on-year to USD24.4 billion. North America is the largest market for India accounting for over 34% of the pharmaceutical exports.

Performance Review:

For FY21 in our continuing operations, despite COVID-19 challenges, revenues were stable due to a diverse range of businesses. CDMO and Generics grew though we saw impact on Radiopharma due to COVID-19 and competition and had production impact at the Nanjangud API plant.



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Our Contract Research and Development Services business also reported strong growth driven by higher demand from Biotech companies and Integrated Services, DMPK, Biology and Functional Chemistry.

In our Proprietary Novel Drugs business, we are developing a pipeline of first-in-class and best-in-class agents to deliver precision medicines focused on addressing unmet medical needs in the area of oncology and auto-immune disorders. Our first-in-class LSD1/HDAC6 Dual Inhibitor addresses multibillion-dollar market segments in hematological malignancies and solid tumors and is undergoing Investigational New Drug (IND) studies with a global goal to file INDs and initiate first in human clinical studies in early 2022 and another two programs are following this lead.

Now I would cover our Financial Performance on key parameters for the Continuing business.

For FY21, revenue was at Rs 6,099 crores versus Rs 5,976 crore in FY20. Pharmaceuticals revenue at Rs 5,790 crore vs. Rs 5,714 crore in FY20. Contract Research and Development Services revenue was recorded at Rs 305 crore against Rs 251 crore in last year.

EBITDA for full year was at Rs 1,414 crore for FY21 vs Rs 1,585 crore in FY20.

Depreciation & Amortization expense for FY21 was at Rs 349 crore vs. Rs 340 crore in FY20. Finance costs at Rs 184 crore versus Rs 200 crore in FY20.

PAT for the full year was at Rs 574 crore versus Rs 678 crore in FY20.

We continue to focus on deleveraging and I am glad to mention that during the year the Company reduced its Gross Debt to Rs 2,600 crore from Rs 3,361 crore as on March 31, 2020.

The Company's subsidiary, Jubilant Pharma Limited in March 2021 redeemed the principal amount of US\$100 Mn out of US\$300 Mn Senior Notes due 2021 ("Notes"). This is in addition to the US\$100 Mn that was redeemed in January 2021. With these two transactions, Jubilant Pharma has completely redeemed the US\$300 Mn Senior Notes that were originally due in October 2021. Out of the total redemption of US\$200 Mn between January-March 2021, we have refinanced US\$150 Mn and remaining US\$50 Mn was paid out of Company's cash balance.

Dividend:

The Board has proposed a dividend of Rs. 5 per equity share of Rs. 1 for the year.

Q1 FY'22 Results

I would like to briefly mention our Q1 FY'22 performance as well.



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During this quarter, in addition to year on year increase, we also reported sequential improvement in the Specialty Pharma segment with gradual recovery across Radiopharmaceuticals, Radiopharmacy and Allergy businesses.

Revenue from Operations during the quarter was at Rs 1,635 crore as compared with Rs 1,156 crore in Q1 last year. Pharma revenue was at Rs 1,541 crore vs. Rs 1,096 crore in Q1'FY21, while Contract Research business reported revenues at Rs 88 crore as compared with Rs 57 crore during Q1'FY21.

Reported EBITDA during the quarter was at Rs 379 crore as compared to Rs 183 crore in Q1'FY21 with margin at 23.2% vs. 15.8% in Q1'FY21.

PAT during the quarter was at Rs 160 crore as compared to Rs 35 crore in Q1 last year.

EPS was at Rs 10.1 per share versus Rs 2.2 per share in Q1'FY21.

Strategic Initiatives

The Board of Directors of Jubilant Pharmova Limited, at its meeting held on July 23, 2021, has approved the demerger of the API undertaking of Jubilant Generics Limited and vesting of the same with Jubilant Pharmova, on a going concern basis, to be implemented through a scheme of arrangement between Jubilant Generics Limited and Jubilant Pharmova Limited and their respective shareholders and creditors.

This business reorganization is aimed at creation of a small molecule discovery and chemistry focused vertical present across value chain of CRO & CDMO of Innovative and Generic APIs.

It will strengthen and sustain long-term growth, profitability, market share, customer service, risk management as it requires focused management attention, different skill sets and resources.

Synergies between CRO & CDMO businesses can be realized more effectively in a Holding / Subsidiary Company structure as compared to fellow subsidiary structure.

This reorganization would also help in supporting our customers for their needs from early stage of research to commercialization of active pharmaceutical ingredients, and will provide competitive edge to this business.

Corporate Social Responsibility

Our approach towards sustainability rests on triple bottom line of Economic, Environmental, and social performance. Corporate Social Responsibility (CSR) is an imperative part of our

framework for sustainability. All CSR activities are implemented through Jubilant Bhatia Foundation (JBF), the social development segment of Jubilant Bhartia Group, which was established in the year 2007. The CSR interventions of our Company are also in line with the United Nations Sustainable Development Goals (SDGs). The CSR projects primarily lay emphasis on empowering the communities around the area of operations of our Company through 4P model (Public-Private-People-Partnership). Jubilant Pharmova Limited acts a catalyst and facilitates the implementation of the projects and participation of community to bring out the optimal outcomes.

Board Update

I would like to take this opportunity to welcome Mr. Arvind Chokhany and Mr. Pramod Yadav on our Board. I would also like to thank all our valued stakeholders, including our customers, vendors, bankers, and shareholders for continuing their support and upholding their confidence and trust in us. We remain deeply grateful to all our employees globally for their contribution and commitment towards this organization.

May the coming year be successful for all of us!

Thank you.

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

The statutory registers as required under the Companies Act, 2013, a certificate issued by the Secretarial Auditors pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI (Share Based Employee Benefits and Sweat Equity Regulation) Regulations, 2021 and other documents mentioned in the AGM Notice 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 2020-21. There are 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 2020-21 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 19th September, 2021 to 21st September, 2021 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 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.

ORDINARY BUSINESS

Item no.1(a) of the Notice - To consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2021, along with the Reports of the Board of Directors and Auditors thereon.

Item no.1(b) of the Notice - To consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 along with the Report of the Auditors thereon.

Item no. 2 of the Notice - To declare dividend for the year ended March 31, 2021.

As I am interested in the agenda item nos. 3, 4 and 5, I request Mr. S. Sridhar to take the chair for these items.

S. Sridhar:

Item no. 3 - To appoint a director in place of Mr. Shyam S. Bhartia (DIN: 00010484), who retires by rotation and, being eligible, offers himself for re-appointment.

Now items of Special Business considered by the Board as unavoidable are proposed for approval of the members by way of Ordinary Resolutions and Special Resolutions.

Item no. 4 - To approve remuneration of Mr. Hari S. Bhartia (DIN: 00010499), Co-Chairman and Managing Director for the Financial Year 2021-22.

Item no. 5 - To approve re-appointment of Mr. Hari S. Bhartia (DIN: 00010499) as Co-Chairman and Managing Director for a period of 3 years effective from April 1, 2022 on the terms and conditions including remuneration mentioned in the Notice convening the AGM.

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

Shyam S. Bhartia:

Item no. 6 - To approve appointment of Mr. Pramod Yadav (DIN: 05264757) as a Director liable to retire by rotation.

Item no. 7 - To approve appointment of Mr. Arvind Chokhany (DIN: 06668147) as a Director liable to retire by rotation.

Item no. 8 - To approve appointment of Mr. Arvind Chokhany (DIN: 06668147) as Group Chief Financial Officer and Whole-time Director for a period of 3 years effective from April 1, 2021 on the terms and conditions including remuneration mentioned in the Notice convening the AGM.

Item no. 9 - To approve re-appointment of Mr. Sushil Kumar Roongta (DIN: 00309302) as an Independent Director of the Company to hold office for a further term of 5 years ending on May 22, 2027.

Item no. 10 - To approve re-appointment of Mr. Vivek Mehra (DIN: 00101328) as an Independent Director of the Company to hold office for a further term of 5 years ending on May 22, 2027.

Item no. 11 - To approve continuation of appointment of Dr. Ashok Misra (DIN: 00006051) as an Independent Director of the Company up to the completion of his present term ending on March 31, 2024, notwithstanding that he shall be completing 75 years of age during his present term.

Item no. 12 - To approve payment of commission to Non-executive Directors not exceeding 3% per annum of the net profits of the Company.

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

I would now invite a shareholder who has registered as speaker shareholder. I would now request Moderator to invite the speaker shareholder.

Moderator: Thank you. We will now invite our Speaker Shareholder, Mr. Rakesh Jhunjhunwala from Mumbai to speak please.

Rakesh Jhunjhunwala: **(Abrupt Start) 25.56** and also the remuneration resolution because we have to take the remuneration in consonance to the consolidated profits of the Company. While this remuneration is paid only on the standalone profits. So, it may exceed the limit laid down in the Companies Act thereby it means a special resolution or you look at the remuneration in consonance with the consolidated profits of the Company it is very reasonable. I, therefore, second all the resolutions regarding reappointment and remuneration and I own more than 5% in the Company, I and my wife and we have voted all in favor of this. I would like to second all the resolutions as proposed by the honorable Chairman and Mr. Shridhar. I am very bullish on Jubilant Pharma. I personally think it is a very good investment and course of time it will do very well. That is the message to my fellow shareholders.

Moderator: Thank you. I now request the Chairman to continue the proceedings.



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Shyam S. Bhartia:

Thank you Mr. Jhunjhunwala. Members may note that the e-voting on the NSDL platform will continue for the next 30 minutes. 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 2 working days of conclusion of the meeting. Results shall 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:

On behalf of the members present, I propose a vote of thanks to the Chair. Thank You everyone.

E-voting continued for 30 minutes

Moderator:

Dear Members, as advised by the Chairman, the time for e-voting has elapsed and he is of the view that all members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM and this concludes the proceedings of AGM. Thank you all for participating in the AGM and e-voting.