



“Jubilant Pharmova Limited 44th Annual General Meeting”

Monday, September 26, 2022

BOARD OF DIRECTORS/KMP:

MR. SHYAM S. BHARTIA	CHAIRMAN
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. S.K ROONGTA	INDEPENDENT DIRECTOR & CHAIRMAN (RISK MANAGEMENT COMMITTEE)
MR. VIVEK MEHRA	INDEPENDENT DIRECTOR
MR. ARUN SETH	INDEPENDENT DIRECTOR
MR. PRIYAVRAT BHARTIA	NON-EXECUTIVE DIRECTOR
MR. ARVIND CHOKHANY	GROUP FINANCE OFFICER & WHOLE-TIME DIRECTOR
MR. R. KUMAR	WHOLE-TIME DIRECTOR
MR. ARUN SHARMA	CHIEF FINANCE OFFICER
MR. NARESH KAPOOR	COMPANY SECRETARY

Moderator:

Good morning members. Welcome to the 44th Annual General Meeting of Jubilant Pharmova Limited being held through video conferencing. For the smooth conduct of this meeting, all members will be in mute mode. Please note that in terms of the statutory requirements, the proceedings of this Annual General Meeting are being recorded and the transcript of these 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 us from Singapore. Over to you, Sir.

**Shyam S.
Bhartia:
(Chairman)**

Thank you. Good morning everyone.

On behalf of the Board, I extend a warm welcome to all of you to the 44th 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 you all taking time out today to attend this Annual General Meeting that is being convened through videoconferencing 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 necessary arrangements to enable the members to participate in the meeting to video conferencing facility and to vote electronically. As the requisite quorum is present, I call the meeting to order.

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

Chandigarh.

- Mr. Arun Seth – Independent Director, joining from Delhi.
- Mr. Priyavrat Bhartia – Non-Executive Director, joining from Delhi.
- Mr. Arvind Chokhany – Group Chief Financial Officer and Whole-Time Director, joining from Noida.
- Mr. R. Kumar – Whole Time Director, joining from Bengaluru.
- Mr. Arun Sharma – Chief Financial Officer, joining from Noida.
- Mr. Naresh Kapoor – Company Secretary, joining from Noida.

Mr. Hari S. Bhartia – Co-Chairman and Managing Director and Mr. Arjun Bhartia – Non-Executive Director are not able to attend this meeting due to unavoidable reasons.

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

Dear shareholders:

Your company, Jubilant Pharmova has an integrated pharmaceuticals business spanning the entire value chain. Customers from 85 countries rely on the products and solutions that come from the Company and for many large pharmaceutical companies of the world, your Company is the ‘partner of choice’. The business emphasizes upon a continuous improvement of the products and processes in order to enhance the quality and cost profile thereby delivering better value to its customers. Through my remarks today, I shall cover certain key aspects that impact and support the growth of your Company.

As per IMF’s July 2022 World Economic Outlook report, global growth is projected to decline from an estimated 6.1% in 2021 to 2.9% in 2022. In FY22, the world’s economic and social health infrastructures continued to be affected by steep rise in raw material prices, supply chain disruptions and spread of another wave of COVID-19 led by the Omicron variant at the start of 2022. The ongoing Russia-Ukraine war has significantly contributed to the slowdown in global economic growth in 2022 and the global inflationary trends.

India has witnessed a spike in inflation and weakening in economic outlook for the year as rising inflation, supply chain disruptions and geopolitical tensions taper recovery. As per World Bank's June 2022 forecast, the Indian economy is expected to grow at 6.1% in FY 2023 down from the 8.7% expansion in the previous financial year.

Some of the key developments pertaining to the business are as follows:

Post issuance of import alert by USFDA in the month of July 2021, your company has been working on remediation plan guided by global consultants and internal audit team. The plant was inspected again by the USFDA in July 2022 and issued 6 observations post completion of the audit of our remediation works. We have submitted our response with an action plan on these observations and shall work with the USFDA towards the next steps.

Also in August 2022, the USFDA communicated that your company's radiopharmaceuticals facility at Montreal, Canada has been regulatory upgraded to Voluntary Action Indicated (VAI) status and it is to receive the Establishment Inspection Report (EIR) in due course. The development will immensely help to ensure new approvals now onwards as no regulatory obstacles remain with the USFDA.

We have completed demerger of the Active Pharmaceutical Ingredients (API) undertaking of Jubilant Generics Limited (JGL) and vesting of the same with your Company. The demerger became effective from April 1, 2022 and will make your Company presence visible across the value chain of CRO & CDMO of Innovative and Generic APIs with synergy realization.

In May 2022, our Spokane, U.S. facility earned the distinction of entering into a cooperative agreement for USD 149.6 million with the Army Contracting Command of the US Govt. This agreement will support our efforts to double injectable filling production capacity at a total cost of around USD 285 million at the location.

In June 2022, our CMO manufacturing facility at Montreal, Canada announced a CAD 100 million expansion with the Government of Quebec meeting CAD 25 million through a loan. This investment aims to modernize and augment the drug production capacity by over 100%.

Over the years, ESG excellence has been extensively promoted as a part of our culture. Our commitment to sustainability can be demonstrated by our achievement in our ESG ratings. In the S&P Global ESG Indices CSA 2021, we scored a percentile of 81%. We also climbed from 23rd to 6th position on Responsible Business Ranking by the joint ET-Futurescape 8th Sustainability Index Report.

For FY22 performance improvement in Specialty Pharma business and strong growth in the Contract Research business was offset by lower revenues in the CMO, API and Generics businesses. The Contract R&D Services continued to witness strong growth driven by robust demand from our customers. Allergy business in US also witnessed strong growth of 26% and expects to maintain similar trend.

In our Proprietary Novel Drugs business, our lead program – LSD1/HDAC6 inhibitor has successfully started Phase I/ II trials. Additional IND filings with FDA for pipeline programs are expected to follow in FY23.

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

Revenue from Operations in FY22 stood at Rs 61.3 billion vs. Rs 60.9 billion in FY21. Pharmaceuticals revenue for FY22 was Rs 56.5 billion vs. Rs 57.9 billion in FY21, Contract Research and Development Services segment's revenue improved to Rs 4.6 billion from Rs 3.1 billion in FY21. EBITDA was Rs. 11.7 billion vs. Rs. 14.1 billion, with a margin of 19.0% vs. 23.2% in FY21. PAT was Rs. 4.1 billion vs. Rs. 5.7 billion in FY21 with an EPS of Rs. 26.0.

The Board has proposed a dividend of Rs. 5 per equity share of Re. 1 for the year ended March 31, 2022.

I would like to briefly touch upon our performance for the first quarter of FY23 as well.

In the first quarter of FY23, your Company reported YoY improvement in sales in Specialty Pharmaceuticals and CRDMO, which was offset by CDMO Sterile Injectables and Generics segments. Allergy Business continues to perform strongly and witnessed healthy growth YoY.

Revenue from Operations in the first quarter of FY23 was at Rs 15.3 billion as compared with Rs 16.4 billion in the first quarter of FY22. Reported EBITDA in the first quarter of FY23 was at Rs 2.0 billion vs. Rs 3.8 billion in the first quarter of FY22 with

a margin of 14.0% vs. 23.2% in the first quarter of FY22. PAT was Rs 470 million as compared to Rs 1.6 billion in the first quarter of FY22. EPS was at Rs 3.0 per share vs. Rs 10.1 per share in the first quarter of FY22.

As a part of the initiative, we have appointed Dr. Jaidev Rajpal as head of our Generics business. Jaidev will join us from Oct 2022 onwards as Managing Director & CEO of the company's wholly owned subsidiary, Jubilant Generics Limited.

Jaidev has over two decades of rich experience in management consulting, advising and transforming leading generic pharmaceutical companies in India and global markets. He has a track record of delivering business transformation projects. He joins us from McKinsey & Company where he is working as a partner in the pharmaceuticals and life science practice. Jaidev's appointment will help the company in transforming its generic business through commercial and operations excellence including portfolio and R&D rebalancing.

We have robust growth levers in Specialty Pharmaceuticals and CMO businesses and have plans to invest to augment capacities and product pipelines in these businesses to drive better growth over the medium term. In our Generics business, your Company's remediation activities aim to resolve the USFDA issues at the Roorkee facility. In our API business, we are undertaking asset upgradations to increase production volumes. In the Contract R&D Services, we are expanding capacities to drive growth over the medium term.

I would like to conclude by placing a vote of appreciation to all of our valued shareholders who have joined us today, and the larger investor community for supporting us in our business endeavours. I wish to also take this opportunity to extend our gratitude to our stakeholders, including our customers, vendors and lenders for the confidence that they have reposed in us.

We are immensely grateful to the members of management and each of our employees, globally, for their belief and contribution in taking the company forwards.

Thank you.

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

The statutory registers as required under the Companies Act, 2013, certificate issued by the Secretarial Auditors pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) 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 2021-22. 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 2021-22 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 23rd September, 2022 to 25th September, 2022 to cast their votes electronically on the Business items as 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.

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) - To consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, along with the Reports of the Board of Directors and Auditors thereon.

Item no.1(b) - To consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 along with the Report of the Auditors thereon.

Item no. 2 - To declare dividend for the year ended March 31th, 2022.

As I am interested in the agenda item #3, may I request Mr. S. Sridhar to take the chair for this item.

Mr. S. Sridhar:

Thank you, Mr. Bhartia. Item no. 3 - To appoint a director in place of Mr. Priyavrat Bhartia 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:
(Chairman)**

Thank you, Mr. Sridhar.

Item no. 4, to appoint a director in place Mr. Arjun Shanker Bhartia who retires by rotation and being eligible and offers himself for reappointment.

Now the items are special business considered by the Board as unavoidable are proposed for the approval of the members by way of ordinary resolution and special resolution respectively.

Item no. 5, to approve the appointment of Ramamurthy Kumar, (DIN; 09139426), as a director liable to retire by rotation.

Item no. 6, to approve the appointment of Mr. Ramamurthy Kumar, (DIN: 09139426) as Whole Time Director for the period of three years effective from July 1, 2022 on terms and conditions including remunerations mentioned in the notice convening the AGM.

The text of the resolutions along with explanatory statement is provided in the AGM notice circulated to the members. Members may note that the e-voting and NSDL platform will continue for next 30 minutes, thereafter the proceedings of the meeting shall be closed. Members who have not cast their votes are requested to do so. The Board of Directors has appointed Mr. Devesh Vasisht, Partner of M/s Sanjay Grover & Associates, Company Secretaries, as Scrutinizer to supervise the e-voting process. The result of the e-voting shall be declared not later than 2 working days of the conclusion of the meeting. The results shall be available on the website of the Company, the Stock Exchanges, and NSDL, and shall also be displayed at the Registered Office and Corporate Office of the Company.

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

**Mr. Naresh
Kapoor:**

So, now on behalf of the members present, I propose a vote of thanks to the chairperson for taking out his valuable time and other Board members on the dais.

Thank you

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.

