

Transcript of 36th Annual General Meeting of Ind-Swift Limited

Ms. Ginny Uppal (Company Secretary) –

Speaking.

Event Host 1 (CDSL) –

Madam, un-mute yourself first.

Event Host 1 (CDSL) –

Madam, you are not audible.

You are not audible again.

Ginny, you are not audible.

Event Host 2 (CDSL) –

Who is not audible?

Event Host 1 (CDSL) –

Company Secretary, ISL

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Good Morning all present. I am Pardeep Verma, Group AVP- Corporate Affairs & Company Secretary and I am attending the meeting from Chandigarh. I welcome you all on behalf of your Company Ind Swift Limited to its 36th Annual General Meeting which is being held today through video conferencing. Before we start the proceedings, I would like to highlight certain points.

This meeting is being held through video conferencing facility provided by CDSL, in accordance with the circulars issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India from time to time and applicable provisions of the Companies Act 2013 and SEBI listing regulations, 2015. The proceedings of this meeting are also being recorded for compliance purposes.

The facility for joining this meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 11:30 am and it will remain open for another 15 minutes after start of the meeting. Members are encouraged to join the meeting through their laptops and use head phones for a better experience and use internet with

a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate the aforesaid glitches. As mentioned in the notice, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available for 1000 members on first come first serve basis.

Pursuant to the MCA circular dated 8th April 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body Corporates are entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means and participate and cast their votes through e-voting. The registered office of the company, which is situated at Chandigarh, shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made at the Registered Office. The members were provided an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the Company at its email id companysec@indswift.com till the date of AGM. No such request has been received from any shareholder.

In accordance with the provisions of the Companies Act and SEBI listing regulations members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting facility and e-voting at the Annual General Meeting. Remote e-voting facility was made available to all the members holding shares as on the cut-off date i.e, 14th September, 2022, during the period commencing from 9:00 AM on 18th September, 2022 till 5:00 PM on 20th September, 2022. Members joining the meeting through video conferencing facility who have not yet cast their vote by means of remote e-voting may vote through the e-voting facility provided at this Annual General Meeting. The e-voting platform is open now for voting and will close 15 minutes from the time of closure of this meeting. The members who have cast their votes by remote e- voting prior to this meeting are requested not to cast their vote again. The Board of Directors have appointed Sh. Vishal Arora, Practicing Company Secretary as the scrutinizer for this AGM. Based on the report of the scrutinizer the combined results of remote e-voting and the e-voting at the AGM will be announced and displayed on the website of the company and will also be submitted to the stock exchanges as per the requirements under the SEBI regulations.

We have received requests from 6 members for registration as a speaker shareholder in the AGM today. We request the speakers to limit their speeches to 3 minutes for the benefit of other shareholders. The shareholders who are not registered as speakers, but attending this meeting through VC, are also invited to express their views and raise

questions, if they have any, in the chat box provided. The Board would be responding to such queries at the end of the meeting. With this, I now hand over the proceedings of the AGM to Sh. S R Mehta, Chairman of the Company.

Thank you!

Sh. S R Mehta (Chairman) -

Good Morning, everybody! I, S R Mehta, Chairman of the Company am attending this meeting from Chandigarh. I welcome you all to the 36th Annual General Meeting of your Company. I would like to mention that in compliance to the circulars issued by the MCA and SEBI from time to time, that exempt physical attendance of the members to the AGM venue, this AGM today is being convened through video conferencing mode. The Company Secretary informs me that since we have sufficient quorum of members participating through video conferencing, accordingly, the meeting is properly constituted, and I call this meeting to order.

Moving forward, the notice convening this meeting and the Directors' Report had already been emailed to all the shareholders and with your permission are taken as read. I welcome other Board Members of your company to the 36th Annual General meeting. I now request the Company Secretary to kindly introduce the Board.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you Chairman Sir. Now I would like to introduce other Board members of your Company, who have joined this meeting, starting with Dr. Gopal Munjal.

Dr. Gopal Munjal (Managing Director & CEO)

Good Morning everyone. I am Dr. Gopal Munjal, Managing Director and CEO of the Company. I am attending this AGM from Chandigarh.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you so much sir. Now I request Dr. V R Mehta to introduce himself.

Dr. V R Mehta (Joint Managing Director)

Good Morning everyone. I am Dr. V R Mehta, Joint Managing Director of the Company. I am attending this AGM from Chandigarh.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you V R Mehta Sir. Now I request Sh. N R Munjal to introduce himself.

Sh. N R Munjal (Non-Executive Director)

Good Morning everyone. I am Navrattan Munjal, Non-Executive Director of the Company. I am attending this AGM from Delhi.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you so much sir. Now I request Sh. Himanshu Jain to introduce himself.

Sh. Himanshu Jain (Non-Executive Director)

Good Morning everyone. I am Himanshu Jain, Non-Executive Director of the Company. I am attending this AGM from Chandigarh.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you so much sir. Now I request Sh. Rishav Mehta to introduce himself.

Sh. Rishav Mehta (Non-Executive Director)

Good Morning everyone. I am Rishav Mehta, Non-Executive Director of the Company. I am attending this AGM from Delhi.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you Sir. Dr. V K Arora Sir Please introduce yourself.

Dr. V K Arora (Independent Director)

Good Morning everyone. I am Dr. V K Arora, Independent Director on the Board of the Company. I am also the Chairman of the Stakeholder Relationship Committee, Nomination & Remuneration Committee & Risk Management Committee of the Company. I am attending this AGM from Noida.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you Dr. V K Arora Sir. Sh. S P Sharma Please introduce yourself.

Sh. S P Sharma (Independent Director)

Good Morning everyone. I am S P Sharma, Independent Director on the Board of the Company. I am the Chairman of the Audit Committee. I am attending this AGM from New Delhi.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you so much sir. I request Sh. Bhupinder Singh to introduce himself.

Sh. Bhupinder Singh (Independent Director)

Good Morning everyone. I am Sh. Bhupinder Singh, Independent Director on the Board of the Company. I am attending this AGM from Chandigarh.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you sir. I request Sh. S C Galhotra to introduce himself.

There seems to be a connectivity issue.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Moving on, I request Sh. J S Ahluwalia to introduce himself.

Mr. J S Ahluwalia (Independent Director)

Good Morning everyone. I am J S Ahluwalia, Independent Director on the Board of the Company. I am attending this AGM from Zirakpur.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you Sir. Now I request Ms. Anoop Michra Ma'am to introduce herself.

Ms. Anoop Michra (Independent Director)

Good Morning everyone. I am Anoop Michra, Independent Director on the Board of the Company. I am attending this AGM from Chandigarh.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you Anoop mam.

Also joining with us today is Sh. Arun Seth the Chief Financial Officer of the company and Sh. Akhil Mahajan, representative from our Statutory Auditors M/s Jain & Associates. We also have with us Mr. Vishal Arora, Practising Company Secretary, who is the scrutinizer for the E-Voting process of this AGM.

Now I request the Chairman to brief the shareholders about Company's performance during the FY 2021-22 along with our future plans.

Sh. S R Mehta (Chairman)

Dear Shareholders,

Good Morning to everyone. I warmly welcome you all to the 36th Annual General Meeting of your Company on behalf of the Board of Directors, the Management and the

Employees of the Company. I hope that all of you and your family members are safe & healthy.

While the COVID -19 pandemic progressed into the second year with a strong second wave and a milder third wave, by now, all of us have learned to embrace life in the pandemic by adapting to the necessities of social distancing, and higher use of digital communication.

We value the AGM as an opportunity to interact with our shareholders and share our progress and strategy with you on this platform. I would like to reinforce that your company's core objective is to provide affordable healthcare and we continue to make progress in this mission.

To begin with, let me delve into our performance in FY 2021-22 and the key factors leading to the financial performance. During the year Global recovery has slowed down due to high inflation, tighter monetary policy and rising geopolitical tensions. However, despite these challenges we remain optimistic about the prospects of long term growth owing to increasing accessibility and expanding health infrastructure across the country.

- During financial year under review, your company earned total revenue from operations of Rs. 397.71 Crores against Rs. 356.06 Crores.
- During the year, your Company earned an EBIDTA of Rs. 59.32 Crores as compared to Rs. 61.38 Crores in the previous financial year. Due to higher finance cost your company suffered a net loss of Rs. 20 crores.
- On the Export front, the Company continued to perform well by registering sales of Rs. 293 Crores as compared to Rs. 264 Crores in the previous financial year leading to a growth of 11% on year to year basis. Over the past few years the pace of our progress in the international markets has accelerated. Our Global Business Unit caters exclusively to the demand of the international markets for finished dosage forms. Our products are available in many countries like of EU, Australia, Canada, Central & Latin America, Asia, CIS and Africa-including South Africa. Apart from this, in the semi regulated markets, we have successfully launched our own branded Generic in countries like Tanzania, Kenya, Ethiopia & UAE. With a view of expanding our reach in the markets of GCC Countries, we have launched finished dosages products in the markets of Qatar. We have recently set up a wholly owned subsidiary in the Republic of Kenya with a view to promote our products in the country and increase our global reach. Our aim is to strengthen our range in the Anti-hypertensive, Cardia, and Diabetic segment globally.

- Today we have over 400 Marketing Authorizations and more than 300 under registration dossiers spread across Africa, South East Asia, Central & Latin America, GCC & CIS region.
- The domestic market promises a strong and steady growth and our team has always been reviewing all existing and emerging possibilities. In the domestic market we have strong presence in the Gynecology & Pediatrics segment & we have re-entered into the Cardia, Diabetic & Anti-infective markets also. During the year under review our domestic sales increased to Rs. 99 Crores as compared to Rs. 88 Crores in previous financial year, thereby registering a growth of approx. 13%.
- Our manufacturing facility situated at Samba (Jammu) is a state of the art manufacturing facility and during the year we launched a number of new products like Sitagliptin, Vildagliptin both plain and its combination with Metformin.
- Our long history in the Pharma industry has its roots in our R&D strength. Our R&D Centre is supported by a pool of world-class talent, and highly-trained regulatory and IPR teams. Our new product development capability along with our manufacturing flexibility and very large geographic presence would act as growth multipliers. During the year our total R&D expenditure was 2% of our total turnover as compared to 1.34% in the last financial year.

I would say that our FY2022 performance reflects the significant efforts made towards building a foundation for our long term success. As we look into the future we remain cautiously optimistic for FY2023 and consider ourselves to be in a stronger position to tap growth opportunities across both domestic and international markets.

Looking forward our key priorities will be to undertake cost efficient initiatives to complement margin improvement, building cost competitiveness and accelerating new launches. We will continue to deploy capital to new and emerging markets to develop them as growth engines for future expansion. We also continue to progress on our Human Resource Development and Industrial relations. The human capital of Ind-Swift Limited is its key asset. The company has made dedicated efforts to keep the workforce highly engaged and motivated through various training programmes. I am delighted to say that our team consisting of more than 1100 people is completely aligned with our vision to make the Company a globally acclaimed Pharma company.

To conclude, I would like to convey my sincere thanks to all our shareholders who have conferred their trust and faith in us and look forward to the continued patronage, guidance and long term association in our journey. I also express my gratitude to the members of the Board for their continued guidance. I also thank our business

associates and various authorities for their continued interest and confidence in the Company and its Management.

Thank You!

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you, Sir. I now proceed with the agenda items. As the Notice & Directors' Report has already been circulated to the Shareholders it is being taken as read. Now with your permission I take the Auditors Report as read and would like to inform the members that the emphasis of matter forming part of the Auditors' Report has been duly replied to by the Directors in their Board Report.

As the meeting is being convened through VC today, the resolutions have already been put to vote through remote e-voting and the requirement to propose and second a resolution is not applicable.

I will now brief you about the resolutions that have been proposed for the approval of the shareholders in the Notice of the Annual General Meeting:

Item No. 1 pertains to adoption of the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, the reports of Board of Directors and Auditors thereon.

Item No. 2 pertains to Re-appointment of Sh. Sanjeev Rai Mehta (DIN 00005668) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 pertains to Sh. Rishav Mehta (DIN 03028663) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 pertains to re-appointment of the Statutory Auditors and to fix their remuneration.

Item No. 5 pertains to Approval of remuneration of Cost Auditors for the financial year 2022-23.

Item No. 6 pertains to appointment of Sh. Bhupinder Singh as an Independent Director w.e.f 23rd June, 2022.

Item No. 7 pertains to approval of the Material Related Party transactions.

These are the 7 items which have been proposed in the Notice of the Annual General Meeting for the approval of the shareholders.

I will now call out the names of people who have registered themselves as speaker. We have 6 registered speakers with us. They will be un-muted and will be allowed to ask questions one by one. Members who have not registered themselves as a speaker but still want to ask any questions may do so by posting questions in the chat box available on their screen. We will respond to all the queries by the speaker shareholders and the queries received in the chat box in one go. In the interest of time I request all the speaker shareholders to please keep the questions brief and do not repeat the question which has been asked by their fellow members. I also request them to not to take more than 3 Minutes.

I now request the admin to please un-mute Mr. Parveen Kumar, the Registered Speaker so that he can express his views or ask questions.

Event Host (CDSL)

Sir, he has not joined.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

No, I see that he has joined the meeting. I can see his name.

Parveen Kumar (Speaker)-

Am I audible. A very very good morning to my respected chairperson, board of directors and my fellow shareholders who have joined the meeting. I am Parveen Kumar attending the meeting from new delhi and I have few observations which I would like to present before the meeting.

I Love to thank our respected chairman for his in depth and very focus and easy to understand speech. It shows an investor friendly approach for someone like me who is a retail investor. I have been associated with the company for more than a decade and used to attend physical meetings in chd. The company has a very investor friendly approach. It really shows that I have put my hard earned money in safe hands. I supported all the resolutions. All my queries have always been answered by the management by emails, even during the covid times. I would also like to thank the cs and Pardeep verma for their dedicated team for showing respect to minority shareholders like me. It shows that this company cares for the minority shareholders interest. My only query is that I would love to share my compliments with the entire board of directors and I pray to god that it will bless you all so that you can take our company to new heights. Thank you for this platform so that I could openly share my views and concerns. I thank you all once again.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) –

Mr. Parveen Kumar, thank you so much.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Ok. The next registered speaker is Mr. Manjit Singh. Admin, If he is available in the meeting, please un-mute him.

I don't think he is there.

The next registered speaker is Gagan Kumar.

Event Host (CDSL)

Not available.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Mr. Rakesh Kumar?

Event Host (CDSL)

Not available.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Mr. Ankur Chanda?

Event Host (CDSL)

Not available.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Then, Mr. Krishan Lal Chaddha? Do we have him?

Mr. Krishan Lal Chaddha (Speaker)-

Hello, Good morning. Myself Krishan Lal Chaddha. I am joining the meeting from New Delhi. I have few observations also on mail. I have been associated with the company for many years. I would be great if the secretarial team will send intimation next time that the shareholder has been registered as a speaker for the AGM.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Krishan Ji, we had sent you an email to let us know of your queries.

Mr. Krishan Lal Chaddha (Speaker)-

Yes sir, please wait, let me finish.

Why is Ms. Ginny Uppal (Company Secretary- Ind Swift Limited) not convening the meeting herself? Why is Mr. Pardeep Verma convening this meeting? I don't understand this.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

She is very much here and attending the meeting.

Mr. Krishan Lal Chaddha (Speaker)-

If she is here then she should be operating the meeting because she is the pillar between the company management and the shareholders.

Ginny Uppal (Company Secretary)-

Good Morning sir! Actually due to technical issues with the mic of my laptop at the end moment I was unable to convene this meeting myself and that is why Pardeep sir had to step in and convene the meeting, so as to not keep the shareholders waiting. But I am sitting right here and listening to everything.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Sir, now please share your queries.

Mr. Krishan Lal Chaddha (Speaker)-

My first query is even though we have earned revenue of 95 Crs in the 1st quarter which is 5% more, but our net income is still -15%, even our EPS is Rs. -3. The company was able to increase its net profit margins however as compared to last year however we are still in minus. The interest payable by the company is increasing year by year, last year it was Rs. 52 crs and shareholder ki mehnat ki kamayi hai.....*voice not audible*.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Krishan Ji, awaaz nahi aa rahi aapki.

Mr. Krishan Lal Chaddha (Speaker)-

The Managing Director, Chairman and Joint Managing Director are drawing salary or not? The ratio of their salary compared with that of the employees is high. Please clarify.

The share price of the company is currently at Rs. 9 which is 50% of the 52 week high price. When will the shareholder be rewarded with dividend because during the pandemic times the company has generated good revenues but still the company is in

loss. I want to know about the roadmap and future plans of the company for the next two years. And when can we become a profitable company.

Can we please conduct AGM physically next year so that I can have a better interaction with the management. Thank you all for giving me the opportunity to share my views.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you krishan Ji.

I request Mr. Arun Seth to answer the queries related to the Financials of the company.

Mr. Arun Seth (CFO)-

Our interest cost this year has increased however, the sale of the company has also increased from the previous year. We are hopeful that in the coming years we will do even better revenue wise and we will hopefully recover our interest cost and make the company a profitable company.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Sh. NR Munjal sir?

Sh. N.R. Munjal (Director)-

I have heard all queries from the speaker. If only the speaker had mailed us his queries in advance we would have given a proper reply to all his queries. There were so many queries but mainly I think the shareholder wants to know that when can the company be profitable again. I would like to state that company had gone into a financial crunch and went into CDR however, we are slowly recovering from it and we are focusing on increasing our sales both in the domestic and export market. All the members of the management have been tirelessly working to bring the company to great heights and our primary focus is to pay off our lenders by 2024. We are hoping that we shall become a profitable company soon. His query with regard to the salary of the Chairman, MD and JMD, the shareholder is requested to send the queries on mail and we shall suitably reply.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Are there any other shareholders who would like to share their views?

Since all the queries have been answered this brings us to the end of this meeting and I would like to hand over the proceedings back to our Chairman, Sh. SR Mehta Ji.

S.R. Mehta (Chairman) -

I would like to express my heartfelt gratitude towards all the shareholders of the company for taking out valuable time and for participating in the AGM.

Mr. Pardeep Verma (Group AVP-Corporate Affairs & Company Secretary) -

Thank you sir.

Before I announce the closure of the meeting, I would like to remind the members who have not voted on resolutions through the remote e-voting facility to cast their votes on the CDSL e-voting system. The detailed process of voting is mentioned in the AGM notice. The e-voting will be disabled after 15 minutes from the time of closure of this meeting.

I now formally propose a vote of thanks to the chair and I hereby declare the proceedings as closed. I thank you all once again for being with us this morning and attending this AGM.

Thank you, everyone!