

Transcript of 34th Annual General Meeting of Ind-Swift Limited

Mr. Amrender Kumar Yadav (Company Secretary)

Good Morning all present. I welcome you all on behalf of your Company Ind Swift Limited to its 34th Annual General Meeting which is being held today through video conferencing. Before we start the proceedings, I would like to highlight certain points here.

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 laptops and 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 network. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of 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, except for large shareholders, promoters, institutional investors, directors, key-managerial personnel, the chairperson of the audit committee, nomination and remuneration committee, and stakeholders relationship committee as well as the auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.

Subsequent to the MCA circular of 8th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available in this Annual General Meeting. However, the body corporate is 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 situated at Chandigarh shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made at Registered Office only. To transact the businesses as mentioned in the notice, 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, i.e. companysec@indswift.com till the date of AGM. We have received request from 1 member for registration as a speaker shareholder in the AGM. The shareholders have been provided specific links to log in to the meeting and we shall be allowing him to speak once the Chairman directs the same. We request speaker to limit his speech to 5 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 Chairman would be responding to such queries at the end of the meeting. With this, I now hand over to Sh. S R Mehta, Chairman of the Company to welcome the shareholders. Thank you.

Sh. S R Mehta (Chairman)

Good Morning everybody. I S R Mehta, Chairman of the Company is attending this meeting from Chandigarh. I welcome you all to the 34th Annual General Meeting of your Company. I would like to mention that in view of the massive outbreak of the Covid-19 epidemic, social distancing is a norm to be followed, and therefore, this AGM today has been convened through video conferencing or other audio/visual means in compliance with the Companies Act, 2013, read with specific circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 issued by the Ministry of Corporate Affairs, Government of India, which

exempt physical attendance of the members to the AGM venue. The quorum being present, I declare the meeting commenced.

The notice convening this meeting and the Directors' Report has already been emailed to all the shareholders and with your permission are taken as read. I welcome other colleagues on the board of your Company to the 34th Annual General Meeting. I now request Amrender to kindly introduce themselves.

Mr. Amrender Kumar Yadav (Company Secretary)

Thank you Chairman Sir. Now i will request every Board member to please introduce themselves, starting with Dr. Gopal Munjal.

Dr. Gopal Munjal (Managing Director & CEO)

Good Morning everybody. I welcome all the Board members and shareholders. During this period at least we are meeting virtually not physically. So my Good morning to all of you and your family members as well.

Mr. Amrender Kumar Yadav (Company Secretary)

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

Dr. V R Mehta (Joint Managing Director)

Good Moring everybody with due respect to all the Board members. I am Dr. V R Mehta, working as Joint Managing Director of the Company. Thank you very much.

Mr. Amrender Kumar Yadav (Company Secretary)

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

Sh. N R Munjal (Non-Executive Director)

Good Morning everyone. I am N R Munjal, Non-Executive Director of the Company. I am attending this AGM from my office at Chandigarh.

Mr. Amrender Kumar Yadav (Company Secretary)

Thank you so much sir. Now i will 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. Amrender Kumar Yadav (Company Secretary)

Thank you so much sir. Now i will 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 Derabassi.

Mr. Amrender Kumar Yadav (Company Secretary)

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

Dr. V K Arora Sir.

I think there is some connection error. Dr. V K Arora, is an Independent Director on the Board of the Company. He is also the Chairman of Audit

Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee & Risk Management Committee of the Company.

Now i will request Sh. S P Sharma to introduce himself.

Sh. S P Sharma (Independent Director)

Hello Good Morning everybody. I am Independent Director on Board of the Company. I am speaking from Mumbai.

Mr. Amrender Kumar Yadav (Company Secretary)

Thank you so much sir. I request Dr. J K Kakkar to introduce himself.

Dr. J K Kakkar (Independent Director)

Good Morning everyone. I am Independent Director on Board of the Company. I am attending this AGM from Panchkula.

Mr. Amrender Kumar Yadav (Company Secretary)

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

Sh. S C Galhotra (Independent Director)

Good Morning everybody. I am S.C. Galhotra, Independent Director from Chandigarh.

Mr. Amrender Kumar Yadav (Company Secretary)

Thank you so much Galhotra Sir. Now i request Sh. J S Ahluwalia to introduce himself.

Mr. J S Ahluwalia (Independent Director)

I am J S Ahluwalia, Independent Director from Chandigarh.

Mr. Amrender Kumar Yadav (Company Secretary)

Thank you walia Sir. Now i request Ms. Anoop Michra to introduce herself.

Ms. Anoop Michra (Independent Director)

I am Anoop Michra, Independent Director on Board of the Company. I am attending the AGM from Chandigarh. Thank you everyone.

Mr. Amrender Kumar Yadav (Company Secretary)

Thank you Anoop mam.

From the Company side we have with us Sh. Arun Seth, Chief Financial Officer of the Company and other Company Executives as well.

We also have with us representative from our Statutory Auditors CA Parvesh Chawla. 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 Financial Year 2019-20 along with Company's future plans. Over to Chairman Sir.

Sh. S R Mehta (Chairman)

Dear Shareholders,

On behalf of the Board of Directors, I welcome you all to the 34th Annual General Meeting of your Company. This meeting is being held virtually due to the Covid-19 epidemic. I hope you and your family members are safe and in sound health.

I will begin by highlighting the performance of your Company during the Financial Year 2019-20. The financial year 2019-20 was again a challenging year for your Company. During this financial year 2019-20, your company earned total revenue of Rs. 345 Crores against revenue of Rs. 296 Crores during the previous financial year, thus achieving an increase of 16.60% in the sales. Your Company earned an EBIDTA of Rs. 36.48 Crores as compared to EBIDTA of Rs. 30.25 Crores in the previous financial year. The Company incurred a net loss of Rs. 36.32 Crores in financial year 2019-20 due to the high raw material cost and finance cost.

For the past few years your Company is aggressively focusing on exports. During 2019-20 we achieved Export Turnover of Rs. 229 Crores against the export turnover of Rs. 201 Crores in the previous Year, thus registered an increase of 13.90% in exports of the Company. The domestic turnover of the Company during the year was 95.16 crores which was up by 11.19% as compared to the previous financial year domestic turnover.

Although, the past year was full of economic challenges for the world as a whole and situation aggravated almost beyond measure due to the outbreak of Covid-19 Pandemic. For your Company, the last quarter of financial year 2019-20 was effected by Covid-19 epidemic, this has however not given much economic pressure on your Company which continued to play on its strengths & achieved higher turnover despite all odds.

On Export front, due to efficient and lean supply management, deliverability and Quality products, your Company has become leading player as Contract Manufacturer in complete European Union, Australia

& Canada. Apart from this, we have successfully launched our own branded Generic in countries like Tanzania, Kenya, Ethiopia & UAE. Today, your Company has over 400 Marketing Authorizations and more than 300 under registration dossiers spread across Africa, South East Asia, Central & Latin America and CIS region. Our Global Business Unit (ISL-GBU), caters exclusively to the demand of the international markets for finished dosage forms. With our strong R & D capabilities & backward integration with our group Company, Ind-Swift Laboratories Limited, the Global Business unit has built a strong portfolio of complex generic products.

Recently, the Company has signed a joint development agreement with a European Company for Atorvastatin & Ezetimibe combination product with an aim to target global market. The Company has also signed preliminary term sheet with 2 companies for developing a new formulation of Clopidogrel using Form two of the API to give cost advantage to its customer. The Company is also working for developing dossier for a Canadian customer for two of its products. The Company is also planning to undertake validation of some of the products like Losartan, Fexofenadine, Ispagula Husk Sachet, Carbocystine Caps, Metformin XR and Macrogol Sachets.

The Company is focusing on domestic market as well. Due to the outbreak of the Covid-19 epidemic, your Company has entered into Hand Sanitizer, Face mask & PPE kit market & got excellent result which will be reflected into current year's performance. Apart from this, your Company launched few new products in Domestic segment i.e. Vitamin-C, Calcium & Zinc & in G.I. segment. All these will give desirable result in current year performance. In domestic market, your Company hold strong fold in Gynecology & Pediatric segment & now have re-enter into Cardiac, Diabetic & Anti-infective market through its Nova Division. Your Company has also re-entered into Herbal, OTC segment

through online & offline promotion & will get good results in next two year.

Your Company is committed towards its debt reduction plan to de-leverage its balance sheet, in the interests of maximizing overall stakeholder value. Considering the present financial constraints of the Company and the “Debt Reduction Strategy” being followed by the Company, the management has been exploring options to sell or lease Company assets with the intent to improve the capital structure of the Company. In the process, the Company has identified two manufacturing units located at Baddi i.e. Unit No. III and IV, which Company plans to sell or lease out, without in any way effecting its current operations or future business plans. The members have already granted their approval for the same in their Extra-Ordinary General Meeting held on 30th March, 2020.

The Company is in process of executing a Restructuring agreement with Edelweiss ARC on the sustainable debt levels. The Company has already done restructuring with Pheonix ARC and meeting its obligations on timely basis.

Over the next decade our aim is to transform your Company to an innovative Company by once again by giving full trust on R&D and generate maximum revenue from innovative portfolio to regain our lost glory through continuous effort and futuristic vision.

At last, I would like to thank you all from the deep of my heart to all my stakeholders, bankers, Directors and employees for their hand holding during difficult time. Regards and thanks to everybody.

Thank you very much.

Amrender Kumar Yadav (Company Secretary)

Thank you Chairman Sir.

I now proceed with the agenda items. As Notice & Directors Report has already been circulated to the Shareholders & has been taken as read. I now with your permission take the Auditors Report as read and would like to inform that qualifications and emphasis of matter forming part of the Auditors Report has been duly replied by the Directors in their Board Report.

Further, Pursuant to the provisions of Companies Act 2013 and the SEBI LODR regulations, the company has provided facility for voting by electronic means to all its members to enable to cast their votes electronically and the business may be transacted through such e-voting. For this purpose, the company has tied up with the e-voting system of Central Depository Services (India) Limited for facilitating voting through electronic means as the authorized agency. The company also provided remote e-voting facility to all the persons who were members on 24th September, 2020, to vote on all the 4 resolutions set out in the notice of AGM. Members attending the AGM today who have not cast their vote by remote e-voting are entitled to exercise their right to vote by e-voting. Mr. Vishal Arora, Company Secretary has been appointed by the board as the scrutinizer for e-voting. The results will be declared within 48 hours of Annual General Meeting after considering the e-voting done today by members participating in this AGM and also the remote e-voting already done by the members. The results along with scrutinizer report shall also be submitted to the stock exchanges i.e., NSE and BSE and will also be placed on the website of the company. As the meeting is convened

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

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

Item No. 1 pertains to the adoption of Audited financial statements of the Company for the year ended 31st March, 2020 and the report of the Auditor and Directors thereon.

Item No. 2 pertains to Re-appointment of Sh. Sanjeev Rai Mehta (DIN: 00005668), Director who retire by rotation.

Item No. 3 pertains to Re-appointment of Sh. Rishav Mehta (DIN: 03028663), Director who retire by rotation.

Item No. 4 pertains to Approval of remuneration of Cost Auditors for the Financial Year 2020-21.

These are the 4 items which has been proposed in the Notice of the Annual General Meeting for the approval of shareholders.

I will now call out the names of people who have registered to ask questions. We have received 1 request from the shareholder. He will be un-muted and will be allowed to ask questions. 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 of these 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. Daljit Singh, who has registered himself as speaker. If he is available in the meeting, please unmute him.

Event Host (CDSL)

Sir, he has not joined.

Amrender Kumar Yadav (Company Secretary)

Ok, thank you mam.

So, i think in chat box we have not received any kind of query from the shareholders. If any shareholder wants to have any query he can text in the chat box.

So there is no query from any of the shareholders, we can conveniently close this meeting with the approval of Chairman.

Chairman Sir, please unmute yourself.

Sh. S R Mehta (Chairman)

Thank to all of you for participating in this meeting and regards to everybody. Thank you very much. I close this meeting.

Amrender Kumar Yadav (Company Secretary)

Thank you Chairman Sir. With a vote of thanks i would like to conclude this Annual general Meeting. Thanks to all the Board Members and the Shareholders for attending this Virtual Annual General Meeting of the Company. Thanks everyone.