

BHARAT PARENTERALS LIMITED

TRANSCRIPT OF 27th ANNUAL GENERAL MEETING OF MEMBERS

DATE - 30TH SEPTEMBER, 2020 (WEDNESDAY)

TIME : 05:00 P.M.

THROUGH : VIDEO CONFERENCING (VC) /OTHER AUDIO-VISUAL MEANS (OAVM)

LUBAHNSHI JHALANI, COMPANY SECRETARY: -

Good EVENING to you all. I hope all of you and your family members are safe and healthy.

I, **LUBHANSHI JHALANI** Company Secretary of Bharat Parenterals Limited, participating from VADODARA, welcome you all to the 27TH Annual General Meeting of members of the Bharat Parenterals Limited which is being conducted through VC and OAVM (other audio & visual means) as permitted by MCA and SEBI. I would like to take you all through certain important aspects regarding the proceeding of this AGM

The notice of 27TH Annual General Meeting (AGM) dated 30TH SEPTEMBER, 2020 was emailed electronically on 05TH SEPTEMBER 2020 to all the shareholders whose e-mail id(s) were registered with the Company and Depository Participants. The shareholders have been provided the facility to join the meeting through Video Conferencing / OAVM on a first come first serve basis on account of this unusual Coronavirus situation.

Mr. Bharat Desai, Chairman, to take the Chair of the Meeting.

Now I would like to introduce the Directors on the Dias. We have with us,

To my left:-

1. Mr. Bharat Desai, Chairman and Managing Director,
And to the left of Mr. Bharat Desai:
2. Mr. Jignesh Shah, CHIEF Financial officer

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Now I call upon all the Directors who are on video conference to confirm their participation in the meeting

1. Mr. Hemang Shah – Executive Director of the Company

HEMANG SHAH :- I, HEMANG SHAH, Executive Director of the Company, attending this meeting from my office at Vadodara.

2. Mrs. ZANKHANA SHETH, Independent Director of the Company

ZANKHANA SHETH:- I ZANKHANA SHETH Non-Executive and Independent Director attending this meeting from my residence at Vadodara.

3. Mr. SHAILESHKUMAR GHABHAWALA, Independent Director of the company

SHAILESHKUMAR GHABHAWALA:- I, SHAILESHKUMAR GHABHAWALA, Non-Executive and Independent Director and Chairman of Audit Committee, attending this meeting from Anand.

4. Mr. MUKESH PATEL, Independent Director of the Company

MUKESH PATEL:- I, MUKESH PATEL, Non-Executive and Independent Director, attending this meeting from Vadodara.

Also I would like to record the presence of:

1. Mr. Rachit Sheth, representative of Statutory Auditors of the Company.
2. Mr. Jigar Trivedi, Secretarial Auditor of the Company
3. Dhruvik Parikh, Internal Auditor of the Company
4. Mrs. Hima Desai, corporate representative on behalf of Desai Shares & Stock Pvt. Ltd. representing 47% of the equity share capital

Who are also login to this meeting

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All the members joining this meeting are by default placed on mute mode to avoid any back ground noise, disturbance and to ensure smooth and seamless conduct of the meeting. During the question answer session, the names of the registered speaker shareholders will be announced. Speaker shareholders, thereafter, will be unmuted by the host of the AGM and will be allowed to express their views and ask questions. Each speaker will be given three minutes and I request each speaker to adhere to this time limit. The speaker shareholders are requested to click on the icon of audio and video button while speaking.

Since this AGM is being held electronically, physical attendance of the Members has been dispensed with and also the requirement of appointing proxy is not applicable.

In accordance with the provisions of Companies Act, 2013 and other applicable provisions, the Company had provided E-Voting facility to the members. Members who did not vote earlier through remote e-voting may vote electronically during the course of the meeting and 15 minutes after this Meeting.

Further I would like to bring to your notice that –

- i)** Copy of Audited Annual Accounts of 2019-20 along with the Auditors' Report,

are open for inspection by the Members during the continuance of the meeting on the Investor tab of the Company's website.

Any shareholder wants to inspect the register and documents of the company they can mail their requirement on cs@bplindia.com and accordingly they will be provided the requisite documents and registers.

Since the requisite quorum is present, let me begin the meeting.

Now I would like to call Mr. Bharat Desai the Chairman and Managing Director of the Company for further proceedings of the meeting

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BHARAT DESAI (MD AND CHAIRMAN):-

Ladies and Gentlemen:

Good evening,

As a Chairperson of today's meeting, I herewith extend a very warm welcome to all shareholders and Directors to this 27th Annual General Meeting being conducted through video conferencing mode on account of this unusual Coronavirus pandemic situation.

I thank all of you for participating in today's meeting and sincerely wish that all of you and your family are safe & healthy.

This is the first time in the history of Bharat Parenterals Limited that the AGM is being held through virtual mode. I request all of you to be patient and cooperate for smooth proceeding of the Meeting.

I take this opportunity to express my gratitude to the Members of the Board for their strategic guidance and valuable contributions which led to the consistent steady performance of the Company during the Financial year 2019-20. I would like to put on record and thank each member of the Board, our dedicated employees and all our stakeholders for their support and participation during the various stages of lockdown.

It gives me immense pleasure in informing you that during the year under review, the company generated gross income of Rs.23780.98 lakhs, Earned gross profit Rs.3495.32 lakhs and net profit of Rs.2630.06 lakh as against gross income of Rs.23239.02 lakhs, gross profit Rs.4202.61 lakhs and net profit Rs.2257.41 lakhs of previous year.

As it can be seen, company has shown robust growth by 16.51% during the year 2019-20 and is continuing for future growth in the same manner and spirit.

I am glad to announce you that the company is coming with 'Bharat Parenterals Employees Stock Option Scheme -2020' i.e. "BPL - ESOP 2020"

The success of the Company's objectives is largely determined by the quality of its work force and their commitment to achieve Company's objectives.

Under BPL - ESOP 2020 we are going to offer, issue and allot from time to time, in one or more tranches 2,00,000 (Two Lakhs) equity shares to the employees of the company.

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LUBAHNSHI JHALANI(CS) :-

- (a) As the Notice of the 27th AGM dated 20th August, 2020, has been circulated along with the 27th Annual Report of 2019- 2020, and with the permission of chair, I take the Notice of the meeting as read.
- (b) The Directors' Report and Audited Financial Statements for the financial year 2019-20 has been included in the Annual report already circulated and I take the same as read.
- (c) Further, as the report of the Statutory Auditors and the Secretarial Auditors were unqualified and without any adverse observations or comments in their respective reports, with your permission, I take the Auditors' Report and the Report of the Secretarial Auditors as read.
- (e) Mr. Jigar Trivedi, Independent Practicing Company Secretary, Vadodara has been appointed as the Scrutinizer by the Board for scrutinizing the remote e-voting process and e-voting during the process of AGM in a fair and transparent manner. The results of remote e-voting and E-voting during the course of this AGM will be declared and simultaneously put on the Company's website within 48 hours from the date of this AGM.

I now request the Speaker Shareholders to express their views or ask any queries related to any Agenda Item of the Notice dated 20th August, 2020.

First Speaker: Mr. Dixit Doshi

Second Speaker: Mr. Hardik Jain

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Questionnaires by shareholders(Answered by Chairman)

Mr. Dixit Doshi (Shareholder):- What was the reason for such sharp increase in revenue in domestic market and sharp fall in export market? Domestic revenue – Rs. 153 Cr. in FY20 vs Rs. 108 Cr. last year / Export Revenue – Rs. 73 Cr. in FY20 vs Rs. 111 Cr. last year.

Mr. Bharat Desai (MD & Chairman) :-Domestic revenue of the Company depicted an increasing trend during the FY20 because of high orders from Government bodies (CMSS, GMSD, GMSCL, MPPHSCL, etc.). Because of strict sanction against Venezuela by U.S./Europe though we have orders but due to currency problem we are not able to execute any order and therefore there is a decrease in export revenue.

Mr. Dixit Doshi (Shareholder):- Sales break up in terms of therapies? Top contributing therapies?

Mr. Bharat Desai (MD & Chairman):- Top Contributing Therapies:

1. Antibiotics: (i) Beta Lactam (ii) Cephalosporin
2. General Injection
3. Oral Solid

Mr. Dixit Doshi (Shareholder):- Break up of revenue in terms of sales through distributors and sales through Government tenders in both Domestic and export markets?

Mr. Bharat Desai (MD & Chairman):- During the financial year 2019 – 20 the company generated gross revenue of Rs.22632.95 in which domestic sales was 57.59% of Rs.13035.40 lakhs and export sales were 42.41% of Rs.9597.55 lakhs.

Mr. Dixit Doshi (Shareholder):- Are these tenders for yearly supplies or are long term tenders?

Mr. Bharat Desai (MD & Chairman):- We participate in both yearly and two yearly tenders.

Mr. Dixit Doshi (Shareholder):- In exports which are the major countries we export to?

Mr. Bharat Desai (MD & Chairman):- We are exporting at almost 40 countries globally. Our operations are mainly divided into 4 market clusters.

- (1) African Subcontinent: Nigeria, Ghana, Ivory Coast, Benin, Mozambique, Kenya, Uganda, D.R. Congo, Angola, Malawi, Burling Faro, Benin, Swaziland, Zambia
- (2) South-East Asia: Vietnam, Cambodia, Philippines, Myanmar, Thailand, Sri Lanka, Lagos
- (3) Latin America: Peru, Chile, Paraguay, and Uruguay Venezuela
- (4) Middle East & CIS Countries: Yemen, Iran, Azerbaijan, Uzbekistan, Tajikistan, Kazakhstan, Afghanistan, Libya.

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Mr. Dixit Doshi (Shareholder):- There is Rs. 12 Cr. capital work in progress and we are doing some capex – Can you update on how much we are spending on capex? When will the new facility will start? Will it be for any new products or will it be the same existing products?

Mr. Bharat Desai (MD & Chairman):- We have already spent almost Rs. 15.50 crores through internal accruals and have already started commercial production in new B-lactam facility and now company has 3 different isolated manufacturing facilities.

- 1) General
- 2) Beta lactam
- 3) Cephalosporin

Mr. Dixit Doshi (Shareholder):- Our Receivables have increased to 80 Cr. Do we see any challenge in receivables and what is the typical receivable cycle in both domestic and exports sales?

Mr. Bharat Desai (MD & Chairman):- Trade receivable increased @ 24.45% compared to previous year due to COVID-19 effects.

In case of Export sales, payment term is 90 days and domestic sales are done majorly to state & Govt. health authorities where the payment term is 60 to 90 days.

During January end till March end 2020 because of COVID 19 entire local and export business was disrupted including logistic transportation and due to lockdown situation, the payment cycle was also hampered. So, the debtors were on higher side.

Shareholder:- Which are our main products and what are the main therapies that we cater to.

Mr. Bharat Desai (MD & Chairman):- These are some of the main products that we cater

1. Therapy : Antibiotic Products:
 - (A) Amoxiclav
 - (B) Ceftriaxone
 - (C) Cefuroxime
2. Therapy: PPI Product:
 - (A) Esomeprazole
 - (B) Rabeprazole
 - (C) Omeprazole
3. Therapy: Antimalarial Product:
 - (A) Artemither Lumirfantrin
 - (B) Artesunate
 - (C) HCQ (For Covid-19 treatment Also)
4. Therapy: ARV Product: Lamivudine + Zidovudin
5. Therapy: Antihypertensive Products:
 - (A) Telmisartan / Telmisartan Hydrochlorthiazide
6. Therapy: Cardiovascular Product:
 - (A) Rosuvastatin
 - (B) Atorvastatin
 - (C) Gliptines

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Therapeutic Category Covered: Antibiotics, Antifungal, Anti-coagulant, Anti-Inflammatory/Analgesics, Anti-malarial, Anti-Parasitic etc.

Shareholder:- Are we going to introduce and new products / therapies in near future

Mr. Bharat Desai (MD & Chairman):-

- a. Antiviral Drug Products such as Favipiravir, Remdesivir, Lopinavir/Ritonavir, Darunavir
- b. Antitubercular Drug Products (DRTD-for Adults & child friendly formulation) such as Ethionamide, Rifampicin, Linezolid, Pyridoxine, Pyrazinamide, Isoniazid, Ethambutol & applicable suitable combination. Many are developed and some are under development
- c. Drugs Products for Cardio-vascular system such as Amlodipine(already developed and exporting), telmisartan, hydrochlorothiazide, Atorvastatin,

Conclusion by Chairman- BHARAT DESAI

I would also like to thank all for your consistent support by providing smooth & seamless Video Conferencing facility.

Last, but not the least, I thank you dear Shareholders, for your continued support and trust.

As all the agenda items of the Notice dated 20th August, 2020 are transacted, I declare this Meeting as concluded.

Please take very good and best care of yourself and your family by following the recommendations provided by health experts/authorities religiously.

My best wishes to you and your families.

Thank you all once again, Jay Hind.

The meeting concluded at 05:33 P.M.