
26th Annual General Meeting of Cadila Healthcare Limited
held on August 11, 2021
10.00 a.m. (IST) to 10.50 a.m. (IST)

Following Directors / Key Managerial Personnel / Auditors of the Company attended the AGM through VC / OAVM:

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| 1. | Mr. Pankaj R. Patel | Chairman |
| 2. | Mr. Nitin R. Desai | Independent Director and Chairperson of Audit Committee and Nomination and Remuneration Committee |
| 3. | Mr. Mukesh M. Patel | Non-Executive Director and Chairperson of Stakeholders' / Investors' Relationship Committee |
| 4. | Ms. Dharmishta N. Raval | Independent Director |
| 5. | Mr. Apurva S. Diwanji | Independent Director |
| 6. | Mr. Bhadresh K. Shah | Independent Director |
| 7. | Dr. Sharvil P. Patel | Managing Director |
| 8. | Mr. Ganesh N. Nayak | Executive Director |
| 9. | Mr. Nitin D. Parekh | Chief Financial Officer |
| 10. | Mr. Dhaval N. Soni | Company Secretary |
| 11. | Mr. Rajesh Hiranandani | Partner-Deloitte Haskins & Sells LLP, Statutory Auditors |
| 12. | Mr. Manoj Hurkat | Secretarial Auditor and Scrutinizer appointed for Submitting his report on remote e-voting and e-voting during the AGM |

Company Secretary:

Good morning to all. I am Dhaval Soni, Company Secretary of the Company. I will be assisting the Chairperson in conducting the Twenty Sixth Annual General Meeting ("**AGM**"). This AGM of Cadila Healthcare Limited ("**the Company**") is being conducted through Video Conference as per the provisions of the Companies Act, 2013 and the circulars issued by MCA and SEBI.

As a reminder, for the smooth conduct of the AGM and to avoid background disturbance, the members will be in mute mode and audio and video will be enabled only when they are invited to speak at the AGM as per the pre-registration. Any shareholder facing any issue in joining the AGM virtually, may contact the CDSL officials on the helpline numbers as provided in the Notice of AGM. Please note that, as per the statutory requirements, the proceedings of the AGM are being recorded and made available on the website of the Company.

We will wait for a minute to allow the shareholders to join.

I now hand over the proceedings to Mr. Pankaj Patel, Chairman of Cadila Healthcare Limited.

Chairman:

Thank you Dhaval.

Good morning ladies and gentleman. I welcome you all to the 26th Annual General Meeting of your Company. Requisite quorum being present, I call the meeting to order.

Before we start the formal proceedings of the AGM, I on behalf of the Company, Board members and shareholders would like to thank all COVID-19 warriors, i.e. Doctors, medical staff, frontline officers, police authorities, employees and many others in providing their immense support in managing the situation and helping the Country in battling the pandemic.

Due to COVID-19 pandemic and to maintain social distancing norms, the Company is conducting the AGM through Video Conference and Other Audio Visual Means as allowed by Ministry of Corporate Affairs and Securities and Exchange Board of India vide their various circulars. I hope that all of you are safe and in good health.

I would now request the Directors and CFO of the Company to introduce themselves.

Mr. Nitin R. Desai:

Good morning. I am Nitin Desai, Independent Director of the Company and Chairperson of Audit Committee and Nomination and Remuneration Committee and am participating from Pune, my residence.

Mr. Mukesh M. Patel:

I am Mukesh M. Patel, Non-Executive Director of the Company and Chairperson of Stakeholders' / Investors' Relationship Committee and I am participating from Ahmedabad.

Mr. Apurva S. Diwanji:

I am Apurva Diwanji, Independent Director of the Company and am participating from Mumbai.

Ms. Dharmishta Raval:

I am Dharmishta Raval, Independent Director of the Company and am participating from my office in Ahmedabad.

Mr. Bhadresh K. Shah:

I am Bhadresh Shah, Independent Director of the Company and am participating from Ahmedabad.

Mr. Ganesh N. Nayak:

Good morning. I am Ganesh Nayak, Executive Director of the Company. I am attending this meeting from the Cadila office in Ahmedabad.

Dr. Sharvil P. Patel:

Hi, I am Sharvil Patel, Managing Director of the Company and I am participating from Ahmedabad.

Mr. Nitin D. Parekh:

Good morning. I am Nitin Parekh, Chief Financial Officer of the Company participating from Zydus Corporate Park, Ahmedabad.

Chairman:

Thank you for the introduction.

We take on record the presence of Mr. Rajesh Hiranandani, Partner-Deloitte Haskins & Sells LLP, Chartered Accountants and Statutory Auditors of the Company and Mr. Manoj Hurkat, Secretarial Auditor of the Company in this AGM.

Before we start the official business of the AGM, I would like to talk briefly about the progress of the Company during the year gone by.

The year gone by was an unprecedented one for the entire humanity across the globe as the world continued to battle against the unprecedented healthcare crisis in the form of novel coronavirus disease which emerged from the beginning of the calendar year 2020, spread rapidly across the globe and put the countries and healthcare infrastructure across the globe under tremendous pressure and stress. In addition to the loss of human lives, the global health crisis led to the deepest global recession since the second world war. The factors that impact the economy have also changed quickly and dramatically in the light of challenges posed by the pandemic.

Amidst the uncertain environment, the Company continues to remain at the forefront in fighting against the pandemic with new launches, new therapies and renewed efforts in research. While the uncertainty and the challenges related to the pandemic are evolving, the Company is committed to service demand across the markets on the back of resilient manufacturing, supply chain and distribution. In a bid to ensure access to the affordable treatment options to the people across the globe in a fight against the pandemic, the Company has taken initiatives across the spectrum from prevention to treatment of COVID-19 using a diverse set of capabilities in small molecule therapeutics, biologicals and vaccines

and even using the range of wellness products for sanitization and overall immunity enhancement. The Company leveraged its manufacturing capabilities to provide the required quantities of Hydroxychloroquine, Dexamethasone and range of other medicines to help patients fight the infection. Remdac, which was launched in July, 2020 continues to be the most affordable and largest selling brand of Remdesivir in India as per volumes.

On the research front, the Company has applied for an Emergency Use Authorization (EUA) to the DCGI for its plasmid DNA ZyCov-D vaccine with an interim Phase III clinical trials efficacy data for 2 mg dose study. The trials were conducted in over 28000 volunteers at more than 50 clinical sites spread across the country and during the peak of second wave of COVID-19 reaffirming the vaccine's efficacy against the new mutant strains especially the delta variant. This was also the first time that any COVID-19 vaccine has been tested in adolescent population in the age group of 12-18 years in India. Coming to the biologics, the Company successfully completed Phase III clinical trials of Pegylated Interferon alpha-2b ('Virafin') in treating moderate COVID-19 infection in adults and received an Emergency Use Approval (EUA) from the DCGI for its use in treating moderate COVID-19 infection in adults. The Company also received an approval from the DCGI to initiate Phase I / Phase II clinical trials for a novel biotherapeutic cocktail of COVID-19 monoclonal antibodies which has been developed to provide a treatment option for mild COVID-19 cases and can emerge as a main treatments in such cases.

Coming to the financial performance during the year gone by, despite of challenges, the Company ended the year with a top line growth of 6% and crossed Rs. 15,000 Cr. mark in revenues. Consolidated EBIDTA for the year was Rs. 33.4 bn. Which was achieved with the help of revenue growth and costs optimisation. EBIDTA margin expanded by 260 basis points and stood at 22.1% for the year. Further, the Company's efforts to strengthen the balance sheet have resulted into a net debt reduction of Rs. 32 bn. during the year and the net debt stands at Rs. 35 bn. as of 31st March, 2021 against Rs. 67 bn. as of 31st March, 2020. Net debt of Rs. 35 bn. and net debt to EBIDTA of 1.05 as on 31st March, 2021 are the lowest in last 5 years.

The Twenty Sixth Annual General Meeting of the Company is being convened in accordance with the Notice of AGM dated July 9, 2021.

We will now commence the business of the meeting.

Representations under section 113 of the Companies Act, 2013, for a total of 76,63,99,434 shares aggregating to 74.86% of the total share capital, have been received.

In accordance with the MCA and SEBI circulars due to ongoing Covid-19 pandemic, the Notice of this AGM along with Annual Report for the financial year dated March 31, 2021 has been emailed to all members and all others entitled to receive the same and I consider the Notice of AGM as read.

As per the relaxations given by MCA and SEBI, the physical copy of Annual Reports are not being sent.

As there are no adverse qualifications, observations or comments in the Statutory Auditor's Report and the Secretarial Auditor's Report, said Auditors Reports are not required to be read at the meeting as provided under section 145 of the Companies Act, 2013.

I consider the Statutory Auditors Report and Secretarial Audit Report as taken as read.

I would now request the Company Secretary, Mr. Dhaval Soni to brief the members about the voting procedure and take you through the resolutions.

Company Secretary:

Thank you Chairman Sir.

I would like to inform that the Company has taken necessary steps, as per the circulars issued by MCA and SEBI to ensure maximum participation and to provide equal opportunity to the members in the voting.

Pursuant to regulation 44 of the Listing Regulations, 2015 and provisions of section 108 of the Companies Act, 2013 and Rules made thereunder, the Company has provided facilities to the members to cast their votes through remote e-voting. The detailed procedure and instructions for casting votes by the members through electronic means were prescribed in the Notice. The Company had fixed 4th August, 2021 as the Cut-Off Date for deciding the names of the members entitled to cast their votes through remote e-voting as well as during this meeting. The Members holding shares as on 4th August, 2021 shall only be allowed to exercise their votes in this Meeting. The remote e-voting period commenced at 9:00 a.m. on Sunday, 8th August, 2021 and closed at 5:00 p.m. on Tuesday, 10th August, 2021. The Company has utilized the e-voting platform of CDSL. The remote e-voting module was blocked and disabled at 5:00 p.m. on 10th August, 2021.

I request the members, who have cast their votes through remote e-voting, not to cast their votes again through e-voting during the AGM. The e-voting facility is available through the AGM proceedings through the same login.

The icon for e-voting is available on the screen, which will re-direct you on a separate window to the e-voting portal of CDSL. The e-voting facility has been activated since 10.00 a.m. IST and will be closed 15 minutes post conclusion of the AGM.

The resolutions prescribed in the Notice of AGM, both ordinary business and special business, shall be passed at this AGM through e-voting and the resolutions shall be declared passed after adding the votes cast by the members through remote e-voting.

Pursuant to provisions of section 109 of the Companies Act, 2013, Mr. Manoj Hurkat, Practicing Company Secretary has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner and submit his report to the Chairman. Mr. Manoj Hurkat is also appointed as the Scrutinizer for remote e-voting.

As per the Notice of the AGM, there are total 7 businesses to be transacted at this meeting- three Ordinary Businesses and four Special Businesses. The businesses to be transacted are:

1. Adoption of Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2021;

Chairman: Dhaval, can you speak closer to your mic?

2. Declaration of dividend for the financial year 2020-2021;
3. Third is with regard to re-appointment of Mr. Mukesh M. Patel, as a Director liable to retire by rotation;
4. Fourth is ratification of remuneration of Cost Auditors;
5. Fifth is re-appointment of Mr. Apurva Diwanji as the Independent Director of the Company for the second consecutive term of five years;

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Apurva Diwanji as an Independent Director of the Company for the second term of five consecutive years w.e.f. May 16, 2021. His brief profile forms a part of the Notice of the AGM.

6. Coming to sixth resolution which is with regard to payment of commission to the non-executive directors;

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have passed a resolution to have an enabling resolution for payment of commission upto an amount of Rs. 40.00 mio. p.a. to the non-executive directors, for a period of five years commencing from April 1, 2021.

7. Seventh resolution is with regard to re-appointment of Mr. Ganesh Nayak as the Executive Director, for a further period of three years.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Ganesh N. Nayak as the Executive Director of the Company for a period of three years w.e.f. July 12, 2021.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member proposing the name of Mr. Ganesh Nayak as the Executive Director of the Company. And the Company has also received a notice under section 160 for re-appointment of Mr. Apurva Diwanji as the Independent Director of the Company.

The Members who have exercised their voting rights through remote e-voting are once again requested not to cast their votes during this meeting. If any such member exercises his voting right through e-voting during this meeting, his e-voting will not be considered for counting the number of votes as his votes are already considered in remote e-voting.

Once a report of the Scrutinizer is received, the Chairman will declare the decision to the members on each business transacted by the members through e-voting during AGM, adding thereto the votes cast by the members through remote e-voting.

The results of the voting together with Scrutinizer's Report will be placed on the Company's website at the earliest but within the statutory time permitted under the Law.

The results of the voting will also be filed with the BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

Members may visit the website of the Company or the website of the Stock Exchanges.

Over to Chairman Sir.

Chairman:

Thank you Dhaval.

I now invite the Members who have pre-registered to pose their questions, if any. I request you all not to repeat the same questions as raised by a fellow member. We would make all efforts to answer all your queries, but if any questions remain unanswered, you may please send in your queries via email to the Company Secretary and we shall revert appropriately.

I would now request the Company Secretary to call out the names of the speaker shareholders and would request to unmute the speakers and allow their video.

Company Secretary:

Thank you Chairman Sir. The link to join the AGM was sent to the shareholders on 6th August, 2021, who had requested to pre-registration before 7 days of AGM. Please note that there is a restriction of five minutes per speaker shareholder to speak. The shareholders who have not registered as a speaker shareholder and would like to have their questions / queries answered, please send an email to the Company Secretary. We would make every effort to

answer all the queries, but if any question remains unanswered, you may please send in your queries to the Company Secretary. We shall suitably reply to all.

We will take the questions from all the speaker shareholders and then reply all the questions together. We invite the first speaker shareholder Mr. Vinod Agrawal to speak please. I request the moderator to unmute him.

Mr. Vinod Agrawal-speaker shareholder:

Respected Chairman Pankaj Patel ji, our MD Dr. Sharvil Patel, our Executive Director Mr. Ganesh Nayak, our Company Secretary Dhaval Soni and our CFO Nitin Parekh, regards to everyone and good morning to everyone from Vinod Agrawal from Mumbai. Sir, I have gone through the Annual Report which is the good thing and most of the Annual Report is targeted more for the new launches that you have done for the COVID research and the new plasma DNA vaccine that you have developed ZyCov-D. Phase III trial for which are going on and the medicine is awaiting the DCGI approval, so by when can this approval come sir, any expectation sir, because it will be a game changer. The vaccine will change the game. And even zrc3308 or monoclonal antibody medicine cocktail is also doing good research so I compliment the Company for all the research work that it has done sir in all these things sir. It speaks well for the Company sir and you have got 1400 research scientists and 8 facilities. Sir going through the Annual Report, till date I could not go through 200 pages, I may have missed out somewhere but what was the total R&D expenditure in the past year as a percentage of your revenue sir. You've got 150 or 1 billion of revenue, so what would be the percentage expenditure on R&D. Sir your PAT was up 21 to 21 billion last year, 81% up from 11, it's a very good thing sir and your debt equity has come down to 0.27 from last year. Sir we are glad to see our MD Sharvil on CNN sometimes back with Julia Chatterley, he was there on CNN sometimes back, it was very nice to see him. Sir another small thing I would like to point out in your page 15 of your Annual Report, everywhere you are mentioning in billions, Sir, on page 15 you say 15000 crores, stick to one thing, billions or crores sir, we are happy with both, if you stick to billions or millions is fine, if you stick to lacs and crores that is also fine but stick to one thing sir because interchanging this thing becomes complicated at the end of the day sir. What is billions and what is crore on page 15 you mentioned 15000 crore of revenue which is equivalent to 151 billion of revenue sir, it is same, it doesn't make a difference. But stick to one thing, this is what my suggestion is sir. And I wish the Company all the best for all your R&D facilities and you also set up the new facility for ZyCov-D within fast time with one crore doses per month facility when you will get the approval sir, I am happy with this sir. I thank the Company for all the good research and good thing that it has done. Signing off Vinod Agrawal from Mumbai. Thank you.

Company Secretary:

Thank you Vinodji. Now, I would request the moderator to unmute Mr. Kaushik Sahukar, the second speaker shareholder.

Mr. Kaushik Sahukar-speaker shareholder:

Hello. At the outset let me introduce myself. I am Kaushik Sahukar from Mumbai. Good morning to all. I hope I am audible. Professionally I am a Chartered Accountant, medically I am suffering from dystonia. In *[inaudible]* terms 55% of my body is paralysed and it impacted my right hand, my right leg and speech. I have not however treated this as an *[inaudible]* as I have mentioned before despite my medical conditions. I have successfully completed my Chartered Accountancy course. I strongly believe that I am self-reliant and self-dependent. I have heard about the Cadila principle of making people self-reliant through your ongoing and philosophical work. You have made and are making a positive change in the society. Sir, you will appreciate that in spite of my medical condition, I believe in working to sustain our life hood rather than accepting free money which is against the principles of self-dependent. Sir, if your company can shower some blessings over me, it can change my life too. I have approached the Cadila to work in certification area, unfortunately that have not been progressed. I would like to use this platform to reach out to you and explore avenues where we can work together. I am confident that you would find my proficiency that value add to our esteemed organisation and would emphasise my condition and support me with some work. I would like to thank the Board of Directors for giving me opportunity to speak and also patiently hearing me. Before I end my speech I would like to thank the entire secretarial department including Mr. Dhaval Soni, because only with their efforts which have made this event possible for me. Please accept my best thanks and it is from my bottom of my heart and I am also hopeful that the Company will empathise with me and will consider. Can I expect a positive response from the Company? At end, I support all the resolutions and I have voted all in favour. I have been and always be a shareholder of the Company. I hope I was properly audible. Thank you so much.

Chairman: Thank you Mr. Sahukar.

Company Secretary:

Now I would request moderator to unmute the third speaker shareholder Mr. Yusuf Rangwala.

Mr. Yusuf Rangwala-speaker shareholder:

(translated from Hindi)

Good morning sir. I am from Mumbai speaking sir. I have gone through *[inaudible]* it was very fantastic and very knowledgeable. Pankaj ji and your team are very fantastic. I would like to know about the progress in vaccine which is developed by the Company, the manufacturing location of which was visited by Hon'ble Prime Minister Modi ji. I want to know when the last bonus was issued. Sir, you informed that you will arrange a factory visit for the shareholders. I want to know whether the factory visit was arranged or not. I am from Siddhpur, Gujarat, so Gujarat is very close to my heart and you are Patel and from Gujarat and we are like a family. I also want to know about the response of product Boost / Horlicks which was purchased by

the Company. I would like to know whether the employees of the Company have taken the dose of (Company's) vaccine. What is the total number of employees of the Company? Jay Gujarat. My humble request to please call me to Ahmedabad to meet you. Please let me know the ranking of your company in the world. Your products are being exported to US, Canada. Our Company is very strong. I am very happy to be a part of this strong Company. I wish our Company good luck and thank you for connecting. Jay Gujarat.

Chairman: Thank you Mr. Rangwala.

Company Secretary:

Now I request the moderator to unmute the next speaker shareholder Mrs. Elizabeth Masceranhas.

Ms. Elizabeth Masceranhas-speaker shareholder:

Honourable Chairman Sir-Pankaj R. Patel, MD-S. P. Patel, ED-Ganesh N. Nayak, other honourable Directors in the virtual meet, my fellow shareholders, I am Mrs. C. E. Masceranhas, I am attending from Mumbai, greetings to one and all. First of all, I will thank the Company Secretary, Mr. Dhaval N. Soni and his team for sending me this e Annual Report and also considering my request to speak and registering and then giving me this platform to speak. Now I come to the Annual Report, it is a well-documented document with everything in it, self-explanatory and very informative. I thank the secretarial and communication department for it. Now, working PBT, PAT up, EPS up, 3.5 dividend on the share of Re. 1/- is very good and the market capitalisation is rising. Any way our equity is 1024 million and reserves are very good 126421. I would request if you could consider some bonus because the going is very good, pharma companies are very strong and vaccine and COVID is also lot of things are happening there, so of course I leave it to the Board. When was the last bonus given? Now, I congratulate you for all the awards and accolades received during the year. Also I will fail in my duty if I do not appreciate the CSR work done specially to the community around in the time of this COVID crisis. It is really good, of course like that also you will do but COVID was the real trying time and I am happy that our Company did a lot to bring down the sufferings of the people. Now my queries. Sir, we have permanent 24,412 and contract 8,556. Sir how many were affected by COVID and how many recovered and what is the vaccination percentage I would like to know what is the average age of the staff and the attrition level specially among the permanent staff. Number two, we have Zydus Research Centre, PTC formulation units, eleven plants and Biological Units. Our ZyCov-D, the world's first plasmid DNA vaccine to combat the COVID 19 pandemic as it being passed, it has also gone to the third phase. Is the vaccine ready? I understand it is for the age group of 12 to 18 years because all the school colleges people will get real benefit from that. Sir, status of zrc3308 which is a cocktail of two anti Sars COVID two, sir please throw some light. Zydus has launched Viroshield mouth spray, what is the market share and how much margin we enjoy in this mouth spray? I would like to know the market share of Ramdac and the margin we enjoy with this Ramdac which is like Remdesivir, please throw some light. Sir, what is the market share

of Complan brand? Is it that the old Complan which we used to take when we were small children. Now, we have launched 30 new products, how many of them are under Drug Control and the market share and margin levels of these 30 products? Our Company has new manufacturing facility to produce DNA based vaccine ZyCov-D, is it operational and has started producing upto one crore doses per month. Sir, we have 1400 researchers across 8 state of art R&D facilities, what is the percentage on R&D spend, is it 7 to 8 of the annual revenue or more, I feel it should go more. Are we the beneficiary of government PLI scheme? Sir, promoter holding is very good nearly 75%, I know our promoters have got great faith so I support all the resolutions. I wish our Company all the best with this thank you very much and god bless. Anyway we are able to express some of the insights that is one thing very good thing. Thanks a lot all and may god give you all the good health and we get as fast as possible the medicine for COVID. I remember 30 years back the flu thing how much we were getting scared and before that the Spanish flu that may be in our grandparent's time and now it is we are so safe and all, now this COVID has done all the disruptions so I feel that definitely you and Majumdar that Biocon, I have told her also that we should live with this COVID just like we should live with flu, so I am only praying that this comes as early as possible and then we are able to go out and we will have little more freedom, distancing will become less and may god bless us like that way and our Company also. Thank you so much and wish you to see anytime in person sir. Thanks a lot.

Chairman: Thank you very much.

Company Secretary:

Thank you. The moderator has informed that the next speaker shareholder Mr. Rishikesh Chopra has not joined the meeting. So to the list of shareholders the last is Mr. Rupesh Shah. I would request the moderator to unmute him.

Mr. Rupesh Shah-speaker shareholder:

(Translated from Gujarati)

Respected Chairman sir, and all the members of the Board, I am Rupesh Shah. I want to thank the management of the Company for the very good performance of the Company. During this COVID pandemic, the Company has saved lives of many (including lower and middle class people) by manufacturing Ramdesivir injections. I, on behalf of all them, would like to congratulate Mr. Pankaj Patel and Dr. Sharvil Patel for this. This is a great thing. I have a small question with regard to Zest aviation since last 8 years, but that has remained unanswered till date. Expenditure of approximately Rs. 700 Lacs has been incurred towards aircrafts for personal use of Mr. Pankaj Patel but it is booked in the Company. I have informed the Independent Directors in all the AGMs about this. And Pankajbhai, you had told after one of the previous AGMs that you will provide the details but till date I have not received any reply.

Chairman: Rupeshbhai, please come and meet me personally, I will provide all the necessary replies.

Mr. Rupesh Shah:

Sir, I think there is no need to come personally but please reply to my queries.

Chairman: Ok, Rupeshbhai, I will provide the information.

Mr. Rupesh Shah:

Ok Sir. When our Prime Minister, Mr. Narendra Modiji have tremendous trust on the Company, then what about the trust and faith of small shareholders like us. It has been eight years now. We had to make contributions of Rs. 3 crores towards CSR against which the Company has made contribution of Rs. 8 crores, i.e. approximately higher contribution of Rs. 5 crores, which is a very good gesture. But, this amount has been contributed to Zydus Foundation, wherein we have built school, college and hospital. Sir, it is noteworthy that you have given free services to 5 lac patients. Out of which, we have done approximately 20,000 surgeries. However, you have not mentioned whether the same was done free of cost or any charge was taken for the same? If it is done free of cost, then it is truly noteworthy. We have built a medical college in Dahod out of the CSR funds contributed by the Company. However, this college is self-financed. Similarly, we have contributed funds for constructing Zydus Schools in Godhavi and Jivraj Park. However, fees are much higher here also. Can you please explain how this could be considered as a CSR? Now, I have 2-3 queries. First, on page No. 151 of the Annual Report, there has been capital reduction of Rs. 1875 million in Zydus International Private Limited, Ireland, a wholly owned subsidiary company. Why this has been done? What steps have been taken by the Company to stop such loss? Please provide the reply and bifurcation for the same. Last year, we sold our stake in Windlas Healthcare and the Company incurred a loss of Rs. 520 million. And in this year, we have increased our investment in Zydus Noveltch Inc., USA by an amount of Rs. 3,252 million. Why have we increased such investment? What we will gain out of this. What is the guarantee that we will not incur losses in this company also, just like other investments? Page No. 122, we have given loan of Rs. 5,957 million to Zydus Worldwide DMCC, Dubai. Why? Why are we giving loans to a loss making subsidiary company? Similarly, we have given loan of Rs. 3,168 million to Zydus International Private Limited, this is also a loss making company. I am unable to understand the reason for giving loans to such loss making companies. Sir, we are doing many related party transactions, which is not a good sign of good corporate and good governance. Sir, we should reduce them. Lastly, on Page No. 125, we have given advance to suppliers. However, the Company has written off an amount of Rs. 161 million. Why was the amount required to be written off. Such action of write off is not a good sign. Lastly, I have been mentioning in all AGMs that I should be provided hard copy, without my reminder, of the Annual Report of the Company and the financial statements of the subsidiary companies. But, this year, it has not been provided. I request you to please send me the hard copies. Thank you Sir.

Chairman: Thank you Rupesh bhai.

Company Secretary:

With this, we conclude the list of shareholders who have pre-registered with the Company as speakers.

I now hand over the proceedings back to Chairman Sir.

Chairman:

Thank you all the members for your queries, suggestions and comments. I will now respond and also then request Sharvil bhai and Nitin bhai to add if anything additional to be given.

First of all I would start with first speaker Mr. Vinod Agrawal. Vinod bhai, thank you very much for your kind words for the Company and its employees and scientists. You had asked about the approval date of ZyCoV-D and as you may be aware, we have applied with DCGI for that and some additional data has been sought from the Company and it is being supplied during this week. And we hope that the permission should follow thereafter. However, because we cannot commit exact date as of today. The other question about R&D spend and percentage etc., I would like to leave it to Mr. Nitin Parekh, CFO for the reply.

Your suggestion for using either million or billion or lacs or crores is well taken and we will ensure that in future we will either use billion or crores.

Next speaker, with very high spirit, Mr. Kaushik Sahukar, I must compliment Kaushik ji on your high spirit and will to work independently and it's a very good example to live life like him and I must thank you for attending the meeting. You have requested, that can we do some work in certification area. I will ask the finance department to be in touch with you to explore possibilities.

[translated from gujarati] The third speaker is Mr. Yusuf Rangwala. I am happy to know that you are a gujarati and have attended this meeting. Thank you very much for your kind words.

Name of our product is Complian and not Boost. After acquisition, Complian is doing very good performance. Thank you very much for your wishes and looking forward that some day we will meet post COVID-19 area and we will invite you to come and visit our factory.

Next speaker was Mrs. Elizabeth Masceranhas. Thank you very much madam, you are the only lady speaker in list and thank you to be there as a shareholder. The last bonus and other details about employees would be provided by our CFO very soon. You have asked specifically about the market share and the margin etc. This data is not available with me handy. I would request CFO and the finance department and the Company Secretary to help you getting the data about the new product etc. We have not applied for PLI scheme 1, but we are likely to apply for PLI Scheme 2, which is more important and more bigger scheme and once we are granted approval, we will inform to the shareholders.

Last speaker is very important speaker from our point of view. Rupesh bhai, I love your criticism always and thank you for both your good wishes and also your constructive suggestions. Some of the things you mentioned about Zydus International, its an investment company for all investment operations. They do not receive any dividend that's why, they, over a period of time, incur certain losses. Obviously we have tried some other markets, where we were not successful and we have to close down certain businesses. The investment company would have these losses which is being, for a good accounting practice, which have been written off.

Windlas was a company, invested with a hope that we would be able to choose that for using our products in the US markets. But this company did not perform well in the USFDA inspection and as a result we decided to exit and against the total investment, a very small percentage of that investment was lost because of the fact that it did not perform well and incurred additional losses. We were not the owner of the company, but a shareholder of that company.

Zydus Noveltex is a technology oriented company in US and we continue to work on the newer technology. Zydus Worldwide is an R&D company who develops the new molecule products of our products in US market. So currently we are in the R&D spend time, spending phase and as a result you will see the losses occurring there and we believe that after the success, the investment will be very useful.

We would always keep in mind that any investment once we make we always look from an all risk profile point of view. But we are in business, in business, we generate profit and we also generate losses. And not everywhere we will be always generating profits. However, it is a company's policy, that whenever we find a particular business does not see a long term promise, we exit and that is the part of the whole journey through which we have gone through. We will continue to take calculated risk, at the same time be conscious about the profits. So by and large I have answered all the questions. If I have missed anything, Nitin bhai or Sharvil bhai can add.

Chief Financial Officer:

So, there was one question regarding R&D as a percentage to sales. So R&D percentage in the year 2021 was 7.5% of the sales value. There was also one question regarding 20,000 surgeries done in Dahod, whether they have been done free. So the surgeries have been done free and all facilities are given free in Dahod hospital. And as regards advances, Rupesh bhai had a question about provisions made for advances to suppliers. So, none of them are related parties and these are all business related, you know, transactions and where there is a likelihood of certain transactions not getting materialized or amounts not getting recovered and provisions are required to be made as per good accounting practice. And it happens that some of the advances which might have provided also may get recovered in the times to come and the reversal will take place.

Managing Director:

I think there were two more questions, one related to the monoclonal therapy. So I think the monoclonal therapy has entered into phase I phase II clinical trials and we hope that in the next three or four months we are able to complete the clinical phase including the phase III and we hope that this can also become a potential treatment option for people who contract COVID-19 and we are working very hard to make sure that as a company, we have at least one opportunity available for everyone. With respect to margins on Remdesivir and others, we had very consciously made an effort to make sure that we launch these product at a very affordable price and they are far lower than the company's gross margin. So we have obviously made it very affordable at a lower cost.

With respect to Dubai, Dubai is an 100% subsidiary, which is continuing its work on product development initiatives for the US market and that is why the investments are being made and it is expected that it will generate significant value through in-licencing as well as its R&D efforts and that's the whole hope for how we are investing behind these subsidiaries.

Chairman:

Thank you Nitin bhai and Sharvil for your additional answers. One of the thing which Rupesh bhai, mentioned about CSR activity and particularly about the schools, our principle is that the company invest completely on all the capital expenditure required to set up the infrastructure, etc. Subsequently the fees are decided based on no profit no loss basis to ensure that we are able to provide continuous education support and we are able to conduct more CSR activities. That is the way CSR is being conducted. We do provide scholarship to students who are not affording, but those who are affording, are paying fees as per the fees decided by the fee committee and you may be aware that our fee are amongst the lowest in Gujarat, as far as private schools are concerned.

So, thank you very much again and with this now I will hand over to the Company Secretary.

Company Secretary:

Thank you Sirs for providing the necessary replies to the queries raised by the members. I would once again now request the Chairman Sir to proceed with the concluding remarks.

Chairman:

Those members who have still not casted their votes may do so through the CDSL e-voting facility available on the same portal. The e-voting shall close in another 15 minutes.

Ladies and Gentleman, I would like to place on record my appreciation and gratitude for the support and co-operation received from the government authorities, regulatory authorities,

bankers, customers and all stakeholders. I also thank all Zydans for their tremendous support in this testing time. The Twenty Sixth Annual General Meeting is now concluded. I thank you all for being with us today. As informed in the beginning of the meeting, the combined voting results will be displayed on the Company's website and communicated to BSE Limited and the National Stock Exchange of India Limited. Please continue practicing social distancing and stay safe.

I wish and pray for safety and well-being of you and your family. Thank you very much.