

**STRIDES PHARMA SCIENCE LIMITED**  
**33<sup>rd</sup> Annual General Meeting held on September 25, 2024**

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**Moderator:** Good Morning. As we have requisite quorum, I request the Company to start the proceedings of the meeting. Thank you.

**Manjula Ramamurthy:** Thank you ma'am. Good Morning Ladies and Gentlemen.

Welcome you all to the 33rd Annual General Meeting of Strides. I am Manjula Ramamurthy, Company Secretary of Strides.

We have the Board Members and Management team of Strides joining us for this meeting.

Before we commence the meeting, let me introduce the Board Members and Group CFO who have joined this meeting. We'll start with Mr. Arun Kumar, Founder and Executive Chairperson of the Company.

**Arun Kumar:** Good Morning everybody. I'm Arun. I'm the Executive Chairman of Strides and welcome all our shareholders, colleague, and fellow directors for this meeting. Thank you.

**Manjula Ramamurthy:** Mr. Badree Komandur, Managing Director and Group CEO of the Company.

**Badree Komandur:** Good Morning Ladies and Gentlemen and welcome to the 33rd Annual General Meeting of Strides.

**Manjula Ramamurthy:** Mr. Aditya Arun Kumar, Executive Director - Business Development.

**Aditya Arun Kumar:** Good Morning everyone. Welcome to the Annual General Meeting of Strides.

**Manjula Ramamurthy:** Dr. Kausalya Santhanam, Independent Director and Chairperson of CSR Committee and Stakeholder Relationship Committee.

**Kausalya Santhanam:** Hi, a very Good Morning to all. Welcome to the 33rd Annual General Meeting of Strides.

**Manjula Ramamurthy:** Mr. Homi Khusrokhhan, Independent Director and Chairperson of Audit Committee and Risk Management Committee.

**Homi Khusrokhhan:** Good Morning everyone attending the meeting. Welcome to the meeting. Thank you.

**Manjula Ramamurthy:** Mr. Ameet Hariani, Independent Director and Chairperson of Nomination and Remuneration Committee.

**Ameet Hariani:** Good Morning everyone. Welcome to the meeting. Good to have you there. Thank you.



**Manjula Ramamurthy:** Mr. Subir Chakraborty, Independent Director.

**Subir Chakraborty:** Good Morning everyone. Welcome to the meeting.

**Manjula Ramamurthy:** Mr. Vikesh Kumar, Group CFO.

**Vikesh Kumar:** Hi. Good Morning everyone. Welcome you to the Strides AGM.

**Manjula Ramamurthy:** We also have with us partners from BSR & Co. LLP, Statutory Audit firm and Grant Thornton Bharat, LLP, Internal Audit firm joining us for this meeting,

Mr. Gigi Joseph, Practicing Company Secretary is the Scrutinizer for this meeting and he has also joined us in this meeting.

Kindly note that all shareholders and invitees who have joined this meeting are by default placed on mute by the host.

Moderator has confirmed that the requisite quorum is available.

We request Mr. Arun Kumar to Chair the meeting.

Over to you, Sir.

**Arun Kumar:** Thank you Manjula. As the requisite quorum is now present, I call this meeting to order.

I will now request Badree to update the shareholders about the Company's performance and the key events post March 31, 2024.

**Badree Komandur:** Thank you.

So today is a momentous day and welcome you all again for the 33rd Annual General Meeting of Strides. And it gives me a great honor to present the proceedings for the first time as MD & Group CEO of Strides.

I want to thank all the shareholders for the support, almost 90,000 plus, for having entrusted me with the responsibility to lead Strides in the near future.

The entire Annual Report theme is built around the theme 'Delivering with Momentum'.

When we say 'Delivering with Momentum', we have taken some few pivots on which the entire Company has been built. Profitability, Efficiency and Growth has been one of the key pillars on which we built this Company in the last two years. And as you know, there is a saying in the English that difficult roads often lead to beautiful destinations. As we speak today, the destination is so beautiful, from the time we started.

The last two years has been one of the best years of Strides in terms of turnaround.

Very rarely, everybody gets an opportunity to work in turnaround and also see it happening live. And all of us are very fortunate to see that.



And from a turnaround perspective, if you really see it all started from 2022 onwards where our EBITDA was almost nil. From there, we have built this Company to almost about Rs. 750 crores as we speak at the end of FY24. What it means is that we have grown profits. We have made one crore of profit everyday in the last two years. Technically, it's about Rs. 750 crores of profit in two years of intense operations.

And I thank all the people who have given support for us to get there, including the employees. And we became a very strong and resilient Company at the end of two years. And we are looking at growth, almost an aggressive growth from that standpoint. And we also continue to position ourselves as a unique pharmaceutical player in the industry.

And our performance in FY23-24 was the best in our history. And we achieved the outlook across all parameters. And there are five pillars I want to talk about before I go into the formal presentation which will take about five minutes.

The five pillars are the one on which entire turnaround was done.

First one I will talk about is on Operational Excellence and Competitiveness.

From a Competitiveness perspective, we right size the operations, we right size the manufacturing facilities, cost management has been one of the focus for all through the last two to three years. And, we also built-up overall efficiency in our operations across the manufacturing plants. The cost has become extremely stable for us. And that's all reflected in the numbers what you're going to see in the subsequent slides. The operating leverage improved across the performance.

Second pillar I want to talk about is on Geographical Expansion and Market Focus. We selected the right products and optimized our entry timing to each of the geographies. And this has resulted in a market leading position in our US operations, almost 65 plus products have been launched in the US and we have got a market-leading positions in 35 plus products.

And our disciplined approach to portfolio launches and strategic pricing combined with our robust supply chain allowed us to become one of the most reliable partners to all the customers. And we also enjoyed the best metric in terms of the Right Supply at the Right Time. We call it as Delivery in Full on Time; and we believe that we have reached a very good level from that standpoint. Emerging markets continue to have a steady growth and we'll be investing heavily on the Emerging and Growth markets in the near future.

And all of this could be possible only with the right People.

And the People is the next pillar for us - Strides have always prided about the extraordinary talent we have within the group and all of them have rallied around the Company to enable this turnaround.

One thing which distinguishes Strides from most of the other companies, if you really see is the learning and development. Last year, the year which went by in FY24, we did about 120,000 hours of training across 3400 employees, almost leading to about 33 hours of training per person. And we believe that is a very good differentiator for us to build the capabilities, what the Company needs in future.



And while we have done all this internally, we also need an external confirmation. And recently we have been awarded the Brandon Hall Awards, the award which is specifically designed for the learning and development and Strides was the immense beneficiary of that award. We got the silver medal for our efforts in learning and development.

In addition to that, we also made some significant changes. We brought in new talent and internal pipeline is something which Strides always prides about.

We got three new people coming into the Senior Management of the Company. I have immense pleasure in welcoming Aditya Kumar, Vikesh Kumar and Surabhi Loshali to the Senior Management of Strides. And they all are very talented individuals and they've been mentored by the Founder and the Senior Management of Strides. And right now, we feel that we have got a good mix of experience and young talent to take the Company to the next level.

The fourth pillar I want to talk about is in terms of Corporate Governance and ESG.

Governance is something which we are always passionate about and we have done everything right from overall standpoint to comply with law and we have remained committed to transparency and sustainability and grow responsibly.

We are proud of our achievements in terms of the progress made in ESG. We believe that ESG is embedded into the business operations and strategy at this point of time; and we also took a significant step in aligning ourselves with the United Nations Global Compact, which we call it as UNGC, that our growth is in harmony with the needs of society and environment.

Our efforts have resulted in improvement in ESG ratings; and we have also started disclosing a lot of non-financial metrics in the ESG report.

And the first sustainability report of Strides will be published in the next two weeks. And the last point I want to cover is from a shareholder standpoint and no AGM speech is complete without mentioning what is in it for shareholders.

A significant milestone project which we took was in terms of the OneSource. We are unlocking significant value by creating a platform which will be the first specialty pharma consisting of injectables, biologics as well as the softgels.

And this will throw significant value to the shareholders and recently we have taken approvals of shareholders and also the creditors approval to enable the scheme to move forward. We hope to complete the NCLT process in the next two to three months and the listing before the end of the financial year.

So as we move forward, we stay focused on leading with purpose and also growing responsibly. And we remain firmly committed to driving growth across the markets. And as you all are aware, that US and Other Regulated Markets are the key drivers of growth and we have made enough investments in growth markets to take it further.

So before I move to the presentation, I just want to say again, thanks to all the shareholders. There used to be a tagline in Strides – 'Together We Win'. So, shareholders also is part of that Togetherness. And we thank you all and I will take some few minutes to present you on some of the key highlights on financials.



So just to give you Company at a glance - We reached a milestone of Rs. 40 Billion, almost Rs. 4,000 crores in FY 24 and Rs. 747 Crores of EBITDA which I talked about almost one crore a day for last two years. And the most important aspect is we reached a Market Cap of Rs. 127 Billion which is equivalent to somewhat about Rs. 12,764 crores.

I also want to talk about some of the milestones which are very qualitative.

One is in terms of zero and no outstanding regulatory observations. This is a very important thing for pharma company and the environment we operate in. As you see in everyday newspapers, that the regulatory compliance is getting, becoming very difficult day-by-day and your Company has got no outstanding regulatory observations with USFDA and other agencies.

And we believe that our quality focus has enabled us to achieve this milestone. And I also want to say that we are all as good as the previous inspection. We continue to have high vigil on this area. And this is an area which Strides has always prided in the last many years. And we continue to do well and hope to do well in near future.

And among the 65 plus US commercial products, we also had a market leading position in 35 products from a market size standpoint and we are one of the top three suppliers in almost 35 molecules.

So just to give a perspective on the financial metrics, when we started the year in April 2023, we said that we'll grow revenues at 15%. We ended the year at 14.4% to be precise. The most important thing here is that US achieved a milestone of USD 250 million.

The second objective we kept was that we will have an EBITDA between Rs. 7 Billion to Rs. 7.5 Billion that is Rs. 700 crores to Rs. 750 crores. We were at the higher end of guidance, almost about Rs. 7.47 Billion i.e., Rs. 747 crores.

The third milestone which we kept was the Net Debt by EBITDA of less than three times - we ended the year at 2.7 times.

And we also emphasized on manufacturing network optimization. We have completed all the optimization measures and that is reflected in the cost base currently, which we operate.

In all whatever has been promised externally, everything has been achieved by a substantial margin.

So, just to give you a glance of some of the important metrics, the gross margins grew by 19.3%, EBITDA grew by 77.6% and revenue grew by 14.4%.

So the gross margin growth of 19.3% resulted in an EBITDA growth of 77.6% indicating operating leverage.

I did speak about the cost management, which we have done in the last two years that has enabled us to get there. Usually in the initial stages of any company, the top line growth will be faster than the profit growth. As the company matures and stabilizes, the profit growth would be far higher than the revenue growth. This is what exactly happened in the last two years and we believe that this is sustainable.



And some of the important highlights there is that we also improved our cash-to-cash cycles from 140 days in FY23 to 129 days in FY24 in the B2C business, which is very healthy ratio. And we were also rewarded with a credit rating upgrade from CARE. We believe that there's enough scope for further improvement and we are working towards it.

And overall, if you really see the US and other regulated markets continues to be the hub for the Company and with the investments in growth markets, we should be able to have a healthy growth going into the future.

So, before I dwell into the Q1 performance, I just want to give you a heads up on what we said at the beginning of this financial year. There are four goals which we kept again.

From a revenue standpoint, we will grow between 12% and 15%, EBITDA between Rs. 950 to Rs. 1,000 crores that is including Softgel business. The Net Debt to EBITDA less than two times and US business revenue between USD 285 to 300 million.

So with this context, I will explain you the entire Q1 performance and the progress update.

So from a revenue standpoint we are at 16.7%. Gross margin has grown by about 22% and EBITDA margin is about 20% and grew by 28.7%. And US business is on track in terms of the overall numbers, what we said that we will do at the beginning of the year.

And the most pleasing aspect is the PAT. We had an adjusted PAT of almost Rs. 84 crores and reported PAT of Rs. 68 crores and adjusted EPS of about Rs. 9.1 and reported EPS of Rs. 7.6.

First time in this Company after few years, the Net Debt is around Rs. 2,000 crores. And we have also taken a Net debt by EBITDA target of less than Two. As we speak, we are working very aggressively towards that direction.

Yes, I'll cover two more slides in terms of the OneSource.

So just to recap, all the shareholders have gone through this for the last one and a half years. I just recapped, that Stride's current holding in Stelis is which is renamed as OneSource is about 31%. All the biologics, oral technologies as well as injectables all coming in one roof in one platform and the Strides shareholders to receive one share of OneSource for every two shares of Strides.

And what it does is it will become the first specialty pharma pure play CDMO and Strides shareholders will get the economics of 44% in OneSource.

From a OneSource perspective, the way we are seeing the outlook is that the revenues are expected to be between USD 175 to USD 190 million and EBITDA margins at a healthy USD 60 to USD 65 million range upwards of 30%.

In terms of the process, we have already received approvals from equity shareholders and secured creditors for the Scheme and we hope to seek the final approval of the Scheme from NCLT and subsequent listing before the end of financial year.

Thank you all and I sincerely want to give my appreciation to all the shareholders, employees, all other stakeholders who has enabled the Company to reach this stage.



There are a few priorities which are very important, is to meet all the financial members, also get a very good ESG rating and complete the OneSource in terms of the transaction and as well as bring sustainability to the business. And these are our key priorities as we look forward to in the next nine months to twelve months.

And with this, I leave it to Manjula to take the proceedings further. Thank you again.

**Manjula Ramamurthy:** Thank you Sir. Ladies and Gentlemen. Moderator will now call out the shareholders who have expressed their desire to speak at the AGM. We request speakers to keep their questions brief and limit their speech to three minutes.

We will first hear out all the questions and will respond to them comprehensively in the end.

Queries which may remain unanswered at this meeting will be responded through email. During the AGM if the shareholder faces any technical issue, they may connect with the KFin team. The helpline number is 1800 309 4001.

Moderator, you can start the Q & A, please.

**Moderator:** Thank you. I request our first shareholder, Mr. Rupesh Gulabchand Tatiya, to kindly unmute your audio switch on your video and proceed with your question.

**Rupesh Gulabchand Tatiya:** My first question, Sir, in on our product, this generic version of Vascepa, which is basically Icosapent Ethyl. So, I think we are in a class action lawsuit against the innovator. I think the innovator has cornered all the APIs. We are in a class action lawsuit against that. So, when can we expect that class action lawsuit to conclude. Some projection on that would be helpful.

And I think in the past calls you had mentioned that we have an API supplier who is not part of this class action lawsuit. So has that changed? I mean, is why this class action lawsuit is a hindrance to our growth in that product. And the third question is, is it possible to develop the gVascepa API across Strides group? Because we have some group companies who do a development of API. This is first question on that product.

Then the second question, Sir, is in terms of our US manufacturing facility Endo Pharma, can you give the revenue and EBITDA on that facility in financial year 24? And also if you can give Q1 FY 25 number.

I think we have taken several cost optimization initiatives on that facility, so if you can give an update on how these will play out in FY25 and FY26, and also if you can talk about capacity utilization of that facility, at least my understanding is significant operating leverage will play out from that facility. So if you can give some qualitative and quantitative view of that, that would be helpful.

Then moving on to next question, Sir, where are we on the Teriparatide launch? I think most of the country specific approvals I think are now in the bag. So, if you can give some update on that and can we expect that product to be, you know, a USD 20-30 million product for us.

Then the other question is, I think you released OneSource Annual Report also for financial year 24. And then when I was reading that, it was mentioned, there is one more breakthrough product



that we are looking to introduce. So, if you can give some clues about this product that it is, into which therapy segment, what is the end market size? Will this product be launched in next one, two years or is it a very 2030 kind of product? Some idea about that product, if you can give, and the potential of that product.

And the next question, Sir, is on the non GLP CDMO, which is biosimilar biologic CDMO. So how many ongoing, you know, MSA projects we have in the non GLP CDMO piece and then if you can give some idea about how many are, you know, in phase one, phase two, phase three, how many are close to commercialization, some idea about that, that would be very helpful.

Other thing is I was studying the biological space and it looks like ADC i.e., Antibody Drug Conjugate - That's, that's a big kind of like field with, you know, a lot of molecules with large potential. So do we have some capabilities in this space. Do we have some projects in this space? If you can talk about that.

Then in the context of Biosecure Act which recently passed one of the Chamber in US, I was, you know, they banned a company called as WuXi Biologics. And I was reading the presentation of that company and that company claimed strong developmental capabilities. Some things you know, in like expression systems, in microbial process development. They talk about a lot of technical things like phase resistance, some efficient downstream processing. So, it looks to me that they are far ahead in the capability. So if you can, you know, position our capability in biological CDMO, where are we in terms of our capabilities and our readiness to, you know, capture any opportunity.

Then what kind of revenue can we expect from non GLP biological CDMO in financial year 25 and 26? And I'm asking these questions because that has now become the interesting part because of this Biosecure Act and you know moving away from China. And because of this Biosecure Act and I think we have been investing in our biological business for seven to eight years now.

And we have come through the hard time. So, are we now ready to hit USD 100 million revenue in biological CDMO in next two to three years? So those are the questions on Bio CDMO.

And then the final question Sir, is on GLP, we are I think, looking to do Rs. 800 crore capex in GLP to increase our capacity by 4x. So, my question is, what is the asset turn on that business? I understand the margins are high, but I also want to understand what is the asset turn on that business? So these are my questions and it would be helpful if you can answer them in detail.

**Moderator:** Thank you Mr. Rupesh. I request our second speaker, Mr. Aspi Bamanshaw Bhesania to kindly unmute your audio switch on your video and proceed with your question.

No response received.

I request Mr. Aloysius Peter Mascarenhas to kindly unmute your audio switch on your video and proceed with your question.

**C.E. Mascarenhas:** Aloysius Mascarenhas will speak next. First Mrs. C.E. Mascarenhas and I am also registered. I will speak first.

Respected Chairman, Mr. Arun Kumar, CEO Badree, other members on the dais, my dear fellow shareholders, I am Mrs. C.E. Mascarenhas speaking from Mumbai.





First of all, I thank the Company Secretary, Manjula, for sending me a physical annual report. I am very happy. I have to still study that. But so many things are happening in my company. I am very very happy. Thank you for giving me this platform to speak also KFin Tech, a big thank you.

Now the working is good. PBT/ PAT - I can say this is quite the best performance after so many years.

PBT/ PAT is when a dividend of Rs. 2.50 is very welcome and very good market capitalization also. Congratulations for all the awards and accolades.

Also, very good CSR work. Now I come to my queries.

See we are going to be given every two shares of Strides, one share of OneSource. This is a CDMO play. When will this OneSource be listed on the Stock Exchanges? Will it be listed on both the Exchanges and what sort of business we will get from this? Already we are getting or we'll be getting. And what will be the margin level in the CDMO play?

Next one we have R&D Centers - How many scientists in their average age and attrition level? Next one is 245 plus cumulative ANDAs have already been approved and 260 ANDAs are filed. How many are passed from these which are filed?

How much is the expenditure done on AI, GI, Block Chains and also on Cyber Security?

Lastly, but not the least, future roadmap for the next three years.

Capex requirements for organic as well as inorganic growth for further acquisitions because our company is always growing very much with acquisitions and which vertical our management team feels will be the main growth engine for the next three years along with the good margins.

With this I support all the resolutions. I wish my Company all the best.

May it grow from strength-to-strength. And we wish to see very happy days.

Mr. Arun Kumar has always rewarded the shareholders bountiful.

With this I thank you very much. Now I give it to Mr. Aloysius Mascarenhas.

**Aloysius Peter Mascarenhas:** Respected Chairperson, members of the board and my fellow shareholders. Good morning to you all. My name is Aloysius Mascarenhas. At the outset, I thank the Company's Management, Company Secretary for sending me the Annual Report which I received on time.

It is full of information, simplified and adhering to all the parameters required for a good corporate governance.

Our results are very good. I have shown on facts and figures. Many questions have been asked by my predecessor shareholders. I have only two questions to ask.

One is the effect of the Union Budget and government policies on our Company.

And second, who are our peers and competitors?

And number three - what revenue we are getting, especially in dollar terms because dollar is rising day after day against falling rupee. So, I would like to know the dollar revenue of our Company.

Rest I don't want to repeat so in my speech. Wishing you personally all board members and more importantly all the employees, all the very best in the days and years to come.

We are in a midst of a festive season, so I wish each one of you a very happy festive season with me. Sir, thank you very much. Good health, good luck and goodbye.

**Moderator:** Thank you Mr & Mrs Mascarenhas I request our next speaker, Mr. Raman Vij to kindly unmute your audio switch on your video and proceed with your question.

**Aman Vij:** Yeah, Good Morning Sir. Before I begin, just a request. So, in the NCLT meeting the team was quite open and they answered the questions in details. I hope we continue this practice for this AGM as well.

So, some of the common questions have been asked by the previous speakers so I won't repeat them.

First on the GLP side. So we have talked about our first CSA coming up in Q4 FY25 and we have like 800 million cumulative CSA for GLP and 300 million cumulative CSA for non GLP. If you can talk about how much of this will be executed in FY26 and FY27. Can we see our run rate of say, because this is opportunity of a billion dollar plus cumulative CSA. So, is it safe to assume that say in FY26 or even in FY27 we can do a 100 to 150 million kind of run rate? That is the first question.

Next question is if we have a current capacity of around 40 million in Stelis. So, if you can talk about is my understanding correct that the breakup will be like 80% will be for SEMA and 20% broadly will be for Lira because Sema is a much bigger opportunity. If you can correct me if I am wrong, I am just asking approximate numbers and we are talking about expanding our capacity by 4x and I believe Terzi will be as big as opportunity like Sema.

So, is it safe to assume that out of 160 million, maybe 40-50% will be Sema and Terzi each and a small proportion will be Lira? Is my understanding correct?

Next question is on Teriparatide launch. So I believe in the OneSource annual report, we have talked about that we have invested close to USD 20 million in this product. So what kind of peak revenue do we expect from this? Can it be like a USD 20 million plus product? Can it become even a USD 30 to USD 40 million product? And if yes, by what time can you think we can achieve that?

And finally, just repeating one point on bio CDMO opportunity and the Biosecure Act coming up. So do you think this can become as big as a growth driver for us like GLP in the next two- three years? In other words, can this also do individually like USD 100 - USD150 million in three to four years? These are my remaining questions. Thank you.

**Moderator:** Thank you Mr. Aman. I request our next speaker, Mr. Kaushik Narendra Sahukar to kindly unmute your audio switch on your video and proceed with your question.



**Kaushik Narendra Shahukar:** Respected Sir and distinguished guest. Good morning to all. It is truly an honor to stand before this expert present today. I extend my heartfelt gratitude to entire board for granting an opportunity through part of important event.

Sir, why are directors on the dias, including our beloved Chairman so serious? So please maintain your smile. This is not serious exam. Enjoy the moment Sir.

First and foremost, I would like to commend our chairman Mr. Arun Pillai for his comprehensive presentation on the state of our company.

Sir, your insights were so thorough that I find myself with no question. Though I was a speaker I just inquire. I have only one key point out of curiosity. Sir my only query is both personal and professional is, some time back an injection was introduced to treat Parkinson's giving hopes to patients. But it was soon banned by government.

So, could our company study the reasons why such injections were rejected? And if possible, can our company discover an insulin or medicine to help treat dystonia, a condition similar to Parkinson's which unfortunately suffered from last 35 years. This could translate to millions of people and give them a meaningful life. Additionally, does our company manufacture any drugs to treat urinary infection?

Before I conclude, I want to express my sincere gratitude to entire secretary team especially Ms. Manjula Ramamurthy and our team for the efforts in connecting with me for this memorable event. I have always been deeply impressed by companies CSR initiative particularly those focus on supporting specially abled individuals. These effort demonstrate our company's unwavering commitment to making a possible difference in the life of those who need it the most.

On a personal note, I am confident that our chairman Mr. Arun Pillai and our CS, Ms. Manjula Ramamurthy, will consider my humble request to work together on certification audit including Form 15 CB. I trust they will see the merit in this collaboration and give it a full consideration.

As a co-owner Sir, I believe we have right to visit our factory and see how our company functions operates.

I urge the management to consider organizing a site visit for shareholders. Furthermore, I believe a separate fund should be created for shareholder expenses as the money belongs to co-owners and should be used for the benefit of shareholders.

Perhaps we should also distribute momentum to speaker shareholders during festival out of corpus created. And a lighter note as we embraced virtual meeting, maybe we could keep things lively next time with a virtual high five competition.

Thank you all for your attention.

**Manjula Ramamurthy:** Is there any other speaker?

**Moderator:** Yeah. I request our next speaker, Mr. Ramesh Shanker Golla to kindly unmute your audio switch on your video and proceed with your question. No response received.

I request our 8th speaker, Mr. Vinay Vishnu Bhide to kindly unmute your audio switch on your video and proceed with your question.



**Vinay Vishnu Bhide:** Good morning to all of you. Mr. Badree, other distinguished directors, present company executives, fellow shareholders. I am extremely pleased to have, the progress of the company and documented in the form of the annual report. It is all there before us. In addition to what has been stated in the annual report. Just a couple of points I would like to have clarified from you.

There is a discussion that the CDMO prices are gradually but slowly moving up particularly in the US market. So probably you could give us some flavor on the trend in the CDMO prices as well as if you can give us some idea on the API part, I know the API prices stocks, they seem to have been bottomed out and demand is coming back.

So can you please clarify on these two points? Otherwise, I think most of the details are there in the annual report. A few questions have been asked. I support all the resolutions and I thank you for giving me a purpose. Thank you.

**Moderator:** Thank you Mr. Vinay Vishnu Bhide.

I request our next speaker, Mr. P. Jaichand to kindly unmute your audio switch on your video and proceed with your question.

I request our last speaker, Mr. P. Jaichand to kindly unmute your audio switch on your video and proceed with your question. No response received.

Thank you. Over to you both. Thank you.

**Arun Kumar:** Let me take the questions all related to OneSource. I'll respond to them. So thank you for your questions, Rupesh. They've been fairly elaborate. We're trying to address as many as we can in these circumstances. So, gVascepa, your first question on gVascepa is that you're right, there's a class action suit on the innovator in terms of how they have controlled the market. And until that outcome is expected anytime soon, probably three to six months. Until then, we will not be able to comment on a matter that is sub-judice. This obviously has impacted our generic launches, although we get small shares in the market and we expect this product to bounce back next year.

As a policy, we do not break up EBITDA and revenues by plants. But all I can tell you as far as your question to the US manufacturing operations, our US operations have become profitable and contributes positively to EBITDA. They have done a great job, as Badree mentioned, and has seen in terms of turning around that operation and effectively focusing as a 'Made in US for US Opportunity'. We are currently operating the plant at around 60%-65% capacity, but we can extend it by shifts. So I think we have a lot of runway in that plant.

And specific questions on OneSource related items on PTH, we have licensed the product to one of the top three European companies and then license the product to over 20 companies worldwide. We do not sell this product in the US. We expect we have received approvals in Europe and UK and we expect the emerging market approvals to be coming through in the next quarters. We do not believe this product will reach a USD 30 million peak revenue, but it will be a nice USD 7 to USD 8 million EBITDA business justifying the investment that we made prior to becoming a CDMO.



Now there's a question, very pointed questions on GLP splits CDMOs. We don't do that as a practice in the generic business or in a CDMO business due to confidentiality reasons, but also more being ethical to our partners.

As we speak OneSource has got 40 logos, 19 of them are GLP's. We make all the three GLP's. Lira which is now getting into commercial; Sema which will get commercial only in 2027, and Mounjaro is only in 2037. But we already have partners for all the three products.

We are not yet into the ADC space yet. We are closely evaluating that opportunity because we believe, it's a niche that we would want to be in.

There was a question on Biosecurity Act, as we speak I can confirm that the interest for biologic CDMO has dramatically increased and we currently receive about 2x of our standard RFPs including from big pharma. Plus, we have announced signing of our first NBE for a biologic product for a large global animal health company.

The GLP Capex, you're right, is approximately Rs. 800 crores and as you correctly pointed the asset turn is not relevant. But nonetheless we expect the asset turn to be about 1.7 to 2 times. But as you said, flow through gross margins and EBITDA are upwards of 40% in the GLP space.

So that addresses some of the questions. But I'll also address the questions of Mr. Aman in terms of the CSA/ MSA split.

We do not believe that the 80:20 Sema and the Tirze split that you have done your magic mathematic will flow through.

All we can tell you is that Semaglutide is a blockbuster. It's unmet or unserved market considering the innovators very focused on the US market given the price advantages they have there. And we expect the commercialization of Lira starting from the next quarters. But Semaglutide only towards the end of calendar year 2026 and Tirze these only in 2036.

So it's far away before we get that.

And I already spoke about the peak revenues. There were no specific questions on the OneSource business that was talked from Vishnu on CDMO prices.

I don't think the CDMO prices were ever low. It is just that the CDMO opportunity is increased consequent to the Biosecurity Act.

We see the API prices to be, as you rightly said, to have bottomed out. But we also see the improvement of supplies. And that's one of the reasons why the gross margins in our business has started to increase.

Those are the questions directly related to the OneSource.

Badree do you want to address the rest or you want me to.

**Badree Komandur:** I can address the rest. So there are five, six questions further on Strides.

The first question was on R&D scientist and attritions. It's about 13% to 14% as we speak.

Second thing is in terms of the capex , we have already guided that we spend about Rs. 150 crore and that will be the number for every year for next two to three years.

The third question was on the growth engines, US and other regulated markets continues to be the growth engine for Strides and I also covered in my speech that some of the markets we are looking at are MENA, APAC, LATAM and other parts of the world and we are investing for us to, you know, to be very meaningful next two to three years.

There was a specific question on union budget. So as far as we are concerned, there are no major impacts, nothing to report at this point of time.

And what percentage of revenues is done in dollars? It's about 55% to 60%.

Then we have somebody asked about the factory visit. As is customary, we always ask all shareholders to write to us to enable that you can write to company secretary.

There are some specific question on the disease and all that. We'll take more details and we'll come back to you by mail.

And as far as the OneSource listing is concerned, I did cover in my speech that it will be done before the end of this financial year. Thank you.

**Manjula Ramamurthy:** And it will be listed on both the Stock Exchanges, NSE and BSE.

As the Notice and Annual Report is already circulated to all the shareholders, we take the notice convening this meeting boards report and auditors report as read. Members to note that auditors report for the consolidated and standalone statements of the company for the financial year ended March 31, 2024 does not contain any qualifications, observations or adverse comments.

Statutory registers of the company required to be made available during the AGM are open for e-inspection.

Certificate from Secretarial Auditor confirming that the ESOP scheme is in line with the SEBI regulations is also available for inspection.

We hope that the disclosures and explanations given in the annual report are clear to the shareholders.

With this we would like to proceed with the agenda items stated in the AGM notice.

As the AGM is held through VC and the resolutions have been put to vote, there will be no proposing and seconding of resolutions.

Shareholders may also note that there will be no voting by show of hands.

Shareholders to note that the insta voting on the KFin platform will continue to be available for the next 30 minutes. Shareholders who have not cast their vote through remote e-voting may continue their voting now.



Mr. Giji Joseph, Scrutinizer, for this meeting shall submit his report on the voting results to the company.

E-voting results would be announced on or before Friday, September 27<sup>th</sup> and the same would be intimated to the stock exchanges and uploaded on the website of the company and that of the RTA.

Resolutions as set forth in the notice shall be deemed to be passed today, subject to receipt of requisite number of e-votes.

Thank you all for attending the meeting and I hereby request the chairman to declare the proceedings as closed.

Over to you, Sir.

**Arun Kumar:** Thank you Manjula.

I wish to take this opportunity to thank all our shareholders for their support and echo the sentiments of Badree for your great support as we turned around this company and achieved a lot of critical milestones.

None of this would have happened without the guidance of our board and our fellow stakeholders.

And with this and with your consent, I and on behalf of my colleagues of the board would take your leave from the meeting.

We wish you all good health and warm regards from all of us at Strides.

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