



“AstraZeneca Pharma India Limited - 41st Annual
General Meeting held through Video Conference /
Other Audio Visual Means”

August 10, 2020



MANAGEMENT: **MR. GAGANDEEP SINGH BEDI – MANAGING DIRECTOR**
MR. RAJESH MARWAHA – CHIEF FINANCIAL OFFICER
& EXECUTIVE DIRECTOR
MS. REVATHY ASHOK – INDEPENDENT DIRECTOR &
CHAIRPERSON AUDIT COMMITTEE
MS. KIMSUKA NARSIMHAN – INDEPENDENT DIRECTOR
& CHAIRPERSON NOMINATION AND REMUNERATION
COMMITTEE
MR. ANKUSH NANDRA – NON-EXECUTIVE DIRECTOR
MS. WEIYING SARAH WANG – NON-EXECUTIVE
DIRECTOR & CHAIRPERSON STAKEHOLDERS
RELATIONSHIP COMMITTEE & CORPORATE SOCIAL
RESPONSIBILITY COMMITTEE
MR. NARAYAN K SESHADRI – CHAIRMAN OF THE
BOARD
MR. PRATAP RUDRA – COMPANY SECRETARY &
LEGAL COUNSEL.

Moderator: Good afternoon ladies and gentlemen. We will now commence the 41st Annual General Meeting of AstraZeneca Pharma India Limited being conducted through video conferencing. For this conduct of the meeting all the lines of the shareholders will be on mute. The audio and video of the speaker shareholders will be enabled once they are invited to speak at the AGM by the Chairman. The proceedings of the AGM are also being recorded. Without any delay, I hand over to Mr. Narayan K Seshadri, Chairman of the Board of Directors AstraZeneca India for conducting the AGM proceedings. Over to you, sir.

Narayan K Seshadri: Thank you. Good afternoon, ladies and gentlemen. On behalf of the Board of Directors, I extend a warm welcome to you all, for this 41st Annual General Meeting of AstraZeneca Pharma India Limited being conducted over video conferencing. It is 3:00 PM now, the meeting is validly constituted. I call the meeting to order.

Before I turn to the formal agenda of the meeting, I would like to introduce the Directors present virtually of course, for the meeting. We have Mr. Gagandeep Singh Bedi, Managing Director, Mr. Rajesh Marwaha, Chief Financial Officer and Executive Director, Ms. Revathy Ashok, Independent Director and Chairperson of the Audit Committee, Ms. Kimsuka Narsimhan, Independent Director and Chairperson of the Nomination and Remuneration Committee. We also have Mr. Ankush Nandra, Non-Executive Director, Ms. Weiying Sarah Wang, Non-Executive Director and Chairperson of the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee. I Narayan K Seshadri, the Chairman of the Board, I'm conducting the meeting. We also have with us Mr. Pratap Rudra, Company Secretary and Legal Counsel.

I record that the authorized representatives of the statutory auditors, secretarial auditor, and the scrutinizer are also virtually present at this meeting. I also record that all feasible planning and execution has been done for enabling electronic participation and voting of the members for this AGM. It is confirmed that the electronic voting is available throughout the AGM. I will now take up the formal proceedings of the Annual General Meeting.

Relevant documents referred to in the notice calling the AGM, Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or Arrangements in which Directors are Interested maintained under the Companies Act 2013 are available for inspection by the members electronically. Members seeking to inspect such documents can send email to the Company Secretary at the email comp.secy@astrazeneca.com. Pursuant to Section 145 of the Companies Act 2013, qualifications, observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company mentioned in the auditor's report shall be read at the Annual General Meeting. Since there is no observation, qualification or comment by the statutory auditors in their report, which have any adverse effect on the functioning of the company, the auditor's report does not require to be read.

With your kind permission now, I will read out the Chairman's statement, a copy of which will also be made available on the company's website.

Ladies and gentlemen, once again on behalf of the Board of Directors, I extend a warm welcome to all of you present this afternoon for the 41st Annual General Meeting of your company. We are pleased that we are able to hold our first virtual Annual General Meeting and provide you the ability to interact and update you on the progress we have made in delivering your company's strategy. The Directors' Report and the audited financial statements for the financial year ended March 31, 2020 have been with you for some time now. I will with your kind permission, take them as read.

Dear shareholders, we are living through an unprecedented time for society and our economies. The crisis around the COVID 19 pandemic has affected everyone. These challenges are only reinforcing our resolve to continue working towards making the world more resilient, by pushing the boundaries of science to safeguard and change the lives of people around the world. Your company has been agile in its response to the COVID 19 outbreak by considering science as its guiding force, putting patients first and always opting for the right thing to do. In this crisis, our priority has been to enable uninterrupted supply of medicines to safeguard the health of those in need of our products, our employees and also the wider communities. To enable continued delivery of our medicines to patients, your company management worked on a timely basis to establish an effective inventory management process, minimized disruptions to the supply chain and similar other measures. The company also augmented its digital pathways to reach out to its various constituents with measures like remote detailing to healthcare professionals, collaborating with telemedicine providers, e-pharmacies, and with investments in new platforms to communicate and exchange scientific information and other data with healthcare professionals. Further, during these challenging times, the safety and wellbeing of our employees in India has been of paramount importance. We implemented a number of measures to reduce the risk of viruses spread, including an early decision to allow all employees to work from home, doing away with business travel, off site meetings and strict protocols of access to company facilities. For those in the supply chain and manufacturing roles, whose physical presence was required, enhanced safety protocols were worked out and implemented. A graded return to work policy was established under which strict social distancing norms were made mandatory.

Through these and other concerted efforts, your company's management, its employees, and partners are aiming for greater agility and sharper timelines to bring about a higher level of resilience in this period of huge uncertainty. It is a scenario which changes fast and is impossible to predict, but by being constantly vigilant and establishing robust business continuity plans, management is confident in its ability to deal with uncertainties. We remain watchful and ready to react with appropriate measures to changing circumstances.

Fiscal year 2019-20: Moving to your company's performance during FY 2019-20 significant progress was made in delivering its science led and patient focused strategy in India. Your company's business has been growing, driven by an innovative portfolio in therapy areas of high disease burden, rich global R&D pipeline, good governance and commercial excellence. The company registered sales of INR 8,013 million with a growth of 17% achieving a total comprehensive income of INR 673 million during the financial year 2019-20. This growth comes from the focus therapeutic areas of cardio metabolism, oncology and respiratory which

your company has been pursuing. This platform for growth has performed well with innovative molecules like Brilinta, Forxiga, Xigduo, Symbicort, Onglyza, Kombiglyze continuing to deliver. The launches of new molecules like Tagrisso and Lynparza and Imfinzi have begun to make an impact in improving the lives of cancer patients and cater to heather to unmet needs.

Brilinta is approved for treatment in Acute Coronary Syndrome and High risk Post MI patients and continued to register rapid growth. Forxiga and Xigduo in the dapagliflozin franchise as part of the SGLT2 class of drug also experienced robust growth. Your company's partnership with Sun Pharma Laboratories Limited and Abbott Healthcare Private Limited for the marketing of the aforesaid products has helped boost sales of the franchises and the products efficacy has led to a wider acceptance among physicians benefiting numerous patients.

Tagrisso, is used to treat non-small cell lung cancer carcinomas with specific mutation. Tagrisso is a new standard of care for EGFR positive lung cancer patients and offers superior efficacy and safety in comparison to 1st gen TKIs.

Lynparza is an Oral PARP Inhibitor used to treat PARP dependent tumours like ovarian cancer, breast cancer and has been recently approved for pancreatic cancer. Lynparza has been able to touch lives of more than 500 patients and continues to grow.

We are happy to announce the launch of Imfinzi. With the launch of Imfinzi a new standard of care, a multidisciplinary approach to treat Stage III disease is being established to optimally utilize available tools of chemoradiation, immunotherapy, and surgery.

However, during part of the last month of fiscal 2019-20 when COVID 19 outbreak resulted in the entire country being lockdown due to which supply chains were disrupted, causing some delays in deliveries to upcountry customer. This has gradually improved and I'm glad to inform you that deliveries are now regular and timely.

Let me move on to the macroeconomic overview. India has been one of the fastest growing trillion dollar economies in the world and the fifth largest overall, with a nominal GDP of \$2.94 trillion, overtaking the United Kingdom and France. However, the pandemic has wreaked huge damage not only on India's economy, but almost every economy in the world. Growth rates have dramatically dropped and recovery is expected to take a while. Most governments battling to contain the spread of virus to save lives have also introduced huge and substantial fiscal and monetary measures to arrest economic downturn. These measures aim to provide relief to people who have lost livelihoods, micro and small businesses facing liquidity and profitability issues, large businesses in need of liquidity, and many others in need. While these measures could possibly arrest some of the damage, it is consumer confidence and spending which currently has been affected, that needs to change for future growth. Some green shoots are set to be emerging, but we have to plan for slow change and not expect miracles.

A key outcome of the pandemic has been the enormous attention it has brought to health care across the world. Many governments healthcare, pharmaceutical, insurance and all related

businesses are taking a hard look at the future of healthcare. And are gearing up to deal with the emerging changes. Co-morbidities have been the cause of many fatalities and this area, in all likelihood we will receive a lot of attention which in turn would affect the pharmaceutical industry.

Giving an overview of the pharmaceutical market, the Rs.150,153 crore, or \$19.63 billion Indian pharmaceutical industry experienced a value growth of 10.8% in FY 2019-20 over 18-19. Domestic Indian companies account for an 80% share of the IPM and had a value growth of 11.7% in FY 2019-20, while MNCs grew at 7.4%. Indian companies registered a volume growth of 4.2% in FY 19-20 against 3.7% in FY 18-19, while MNCs experienced a 1.8% decline in volumes.

Therapeutic areas of anti-diabetic, inhale respiratory, cardiovascular and oncology in which AstraZeneca India is actively operating, grow higher than overall market growth of 10.8% for 2019-20. Looking ahead, the impact of non-communicable diseases, it's increasing incidence, diagnosis, health insurance coverage, government initiatives to improve healthcare access is bound to improve overall health care infrastructure. Further digitization especially in the areas of distribution, co-marketing arrangements and other changes will drive demand and growth of the industry.

Operations: In our manufacturing operations, the focus on continuous improvement was a key deliverable. Using lean methodologies operations delivered improved efficiencies and minimized waste. The operations team is also leveraging digital technology to streamline process and reduce non value added work, example is implementation of Robotic Process Automation RPA. Operations continue to record excellent safety performance. Our factory has received second time in a row, an award from the National Safety Council for best Management and Safety Performance. We celebrated six years without an LTA or MTR. Quality in operations remains excellent, resulting in no critical observations in both internal and external audits.

Outlook: In 20-21, your company will continue to prioritize investment in its focus areas in line with its global growth platforms. Accelerating new products remains a key priority and your company is committed to maintaining timelines of key regulatory milestones to align with the global pipeline subject to conduct of clinical trials, regulatory approvals and reasonable commercial viability. All the therapeutic areas in which your company is currently active, have recorded above average market growth during 2019-20. These include therapeutic areas of anti-diabetic, inhaled respiratory, cardiovascular, and oncology. Your company will continue to emphasize high standards of sales and marketing practices, maintaining a strong focus on patient needs and safety. Your company remains committed to high product quality which underpins the safety and efficacy of its medicines. Your company will maintain a strong focus on cost optimization and controls. Management is undertaking measures to reduce unproductive discretionary and non-customer facing spends. Management also continues to develop simple and more efficient processes to encourage accountability and improve decision making and communication. In preparing your company's financial statements for fiscal 2019-20 management has considered all possible impact of known events arising from COVID 19

pandemic and therefore believes that there will be no material impact on the operations and financial position of your company. However, given the uncertainties, impact assessment of COVID-19 will be a continuous process and management will closely monitor all developments to assess their impact and deal and disclose them appropriately.

Moving on to corporate social responsibility, your company is committed to make a meaningful difference to society and contribute to its betterment. Accordingly, it has formulated a CSR policy which accords with the company's philosophy of being a good corporate citizen, laying down the guidelines and mechanisms for undertaking societally relevant and useful programs. During the year, your company focused on its flagship initiative for prevention and early detection of cancer among women, the Ganga, Godavari cancer screening program. The program aims to conduct specialized checkup camps for screening for cancers, such as oral, cervical and breast cancer for women from underprivileged sections of the population. In the first phase of the program, the company has reached over 4000 women beneficiaries with cancer awareness and screening. During the ongoing second phase, the company intends to reach over 1200 women beneficiaries. The board members had the privilege to visit the NGO partner, Indian Cancer Society during the financial year. The partner's commitment to prevent cancer and change the lives of those impacted by cancer was commendable.

Your company also continues to make a difference through its signature global community investment initiative the Young Health Program. In the wake of the unprecedented circumstances brought down by the COVID-19 pandemic. The company quickly mobilized its resources and redirected its efforts to donate over 75,000 high quality N95 masks to central and state health authorities to support healthcare practitioners battling in the frontline of COVID -19 pandemic. Also, employees of your company generously came forward to make a voluntary contribution to the PM cares fund. The employees by donating through encashment of the earned leaves of the company collectively pooled INR 66.25 lakhs. We are grateful to our employees for coming forward to support the nation's fight against COVID-19.

Finally getting down to the acknowledgments, I take this opportunity to express my sincere appreciation for the support of all our stakeholders, including shareholders, employees, business associates, bankers, government departments, state government of Karnataka, the healthcare community and last but not the least, patients for their confidence reposed in AstraZeneca. I place on record the board's deep appreciation of the active assistance given by AstraZeneca Group in addressing and responding to many complex issues and challenges encountered by the company during the year. Finally, I thank my colleagues on the board for their contribution and commitment to the growth of the company and for their wise counsel and support. Thank you.

Before, I take up the next the formal items on the agenda, I would like to request Mr. Gagandeep Singh Bedi, Managing Director to make a corporate presentation to the members.

Gagandeep Singh Bedi:

Thank you, honorable Chairman for your very, very inspiring words. And welcome everybody to the 41st AGM. As a disclaimer, this presentation is for general information purpose only, and nothing in this presentation should be construed as a forecast. The levers that enable our

progress, are some things that we agreed three years back is what we would focus and embark upon, are delivering growth and therapy area leadership, accelerating innovative science and also being a great place to work so that we can attract the best talent in the industry.

The contents, which is in the next slide please, we have the global update, which will be followed by Indian macro economy and market overview. And I'll provide the company update as well as the COVID-19 response, will also be therapy area updates and we talk about sustainability and great place to work. A lot have been covered also in the honorable Chairman's presentation. So, I'll move along in some of the overlapping comments.

As part of our global update, I am really proud and happy to share the global R&D efforts in responding to COVID-19. Our investigating potential treatments on exploring how our compounds might help in the treatment of COVID-19 meant that we had two clinical trials start with our existing drugs, DARE-19 as well as CALAVI. And we're proudly partnering on the clinical trials within India as well. COVID-19 diagnostic efforts that we did in collaboration with Cambridge University and GSK and something we also saw was the landmark collaboration with University of Oxford, as well as within India, a distribution agreement with Serum Institute of India, COVID-19 monoclonal antibody research and partnerships with academy, governments and biotech companies has really put company at the forefront of one of the biggest challenges that we faced in 2020 with this pandemic.

We continue to make significant progress with our pipeline, which essentially means making a huge difference to patients' lives. We saw regulatory approvals whether it was in ovarian first line with Lynparza or with Forxiga, the landmark HRD approval, or for that matter with our respiratory portfolio as well, we continue to make significant progress across our therapeutic areas globally, from our lead stage development perspective.

Which essentially means that our total revenue at a global level moved up 14% in the first half of 2020. This is Jan to June period. Increasing contribution came from the newest launch medicines and that clearly means that the momentum is seen as something which may continue. And if you look at the new medicine growth, which was close to about \$2 billion, incremental revenue which came with new medicines was clearly dominated by the oncology portfolio and also respiratory along with Fasenra starting to make a significant presence as well.

I'll now move over to India market overview. The honorable Chairman covered one of the biggest impacts we've seen this year i.e., the COVID impact. And particularly closer home with (+2) million cases, we have an healthcare which is overwhelmed with this massive, massive challenge which is also impacting the non-COVID care. However, we're also positive that, once we do see the GDP contract, but hopefully the bounce back will be there in years to follow and we expect it to be in 2021. We also recognize the honorable Prime Minister's call to make India self-reliant with Atmanirbhar and your company continues to manufacture drugs in India as well.

In terms of overall healthcare, the total healthcare spend continues to be as a percentage of GDP at about 3.6% and expectedly post pandemic we may see an increase in government spending behind healthcare. The source of healthcare spending is largely based on 62% of it is private out of pocket and very tiny proportion 8% through private and group insurance and then there is the government employee insurance, which is close to about 30%. Ayushman Bharat, with 125 million people covered till July 2020 and target of 500 million and is seeing a great traction and progress at 22,000 hospitals empaneled. We continue to see stronger support for IP laws as well as regulatory environment which is gaining speed with average time to drug approval (from 22 to 12 months). The IPM as covered by honorable Chairman continues to show very strong traction. And, both MNC and local companies continue to make significant progress.

And the section where I talk about the company AZPIL:- So we are committed to impact patients lives over next few years with our upcoming launches. And as you can see, it's very well spread. It's evenly distributed around oncology, CVRM, as well as respiratory. We're very keenly looking forward to the extended indications behind our oncology portfolio be it Lynparza or be it Imfinzi, in small-cell lung cancer, or be it behind the HCC, the Himalaya trial. We are also very excited with Tagrisso getting the data behind ADAURA which can really make a significant difference to patients life pretty early in their treatment journey. In terms of CVRM, very excited with DAPA-HF but following on the heels of DAPA-HF we also heard about the overwhelming efficacy of DAPA-CKD and we look forward to this data readouts as well. And apart from this, there is a strong renal franchise and Roxadustat and Lokelma which is globally seeing traction with approvals. And in respiratory, Fasenra especially in difficult to treat asthma could make a significant difference as well as Sygma for Symbicort.

And based on our continued traction and launches of new brands in fast growing therapeutic areas has meant that - we have significantly for last 12 quarters been ahead of the growth above the IPM and while the IPM continues to grow at about 11%, AstraZeneca is growing at about 15%.

And here I'll cover the financial snapshot for fiscal year 2019-2020. Given the significant progress through our science led portfolio, as well as our patient focused strategies, we've seen, sales of Rs.800 crore and driven by this innovative portfolio in therapeutic areas with high disease burden and also supported by our global R&D pipeline, we saw revenue growth of 17% and profit after tax growth of 32%.

As all of us were impacted in the month of March, April with the COVID-19 and the challenge, as the honorable Chairman said our priorities have been to ensure uninterrupted supply and our COVID-19 response has been exemplary. I won't dwell into what he's already covered in terms of our contribution towards mass and voluntary employee donations, but what I like to emphasize is, we haven't left the physicians behind as well, with clinical experience sharing webcast with top experts and academicians from China, because China was at the forefront of this fight in quarter one, in treating and caring for COVID-19 patients to increase the knowledge in India as well. And over 6000 HCPs were part of this international experience sharing webcasts from India.

And at the heart of what we do is our patients and we didn't leave any patient behind as well during this period of time with uninterrupted availability of medicines for our patients. Be it in terms of effective finished-goods inventory management, no disruptions in international or domestic logistics where we were dependent on some of the drugs which come from Sweden or China, and patient support helpline numbers were also provided on our website so that we could reach out especially oncology patients to make sure that supplies go on uninterrupted to them and partnering with the e-pharmacies for the last mile support. Along with that, we were very conscious of the fact that while we are part of the essential services, we needed to support our employees, and that's where we had not only insurance in terms of OPD and hospitalization cover for them, but digital counseling, on call doctors, graded return to work, yoga and wellness sessions, which they could participate from confines of their home, as well as strict travel restrictions.

I'll now jump over to the therapy area updates and the first therapy area update is on oncology. Continuing the robust growth in oncology, our oncology portfolio, was 182 crores and was a second fastest growing company in the oncology segment. Our Tagrisso became the new standard of treatment in first line as well as further strengthened in the second line of NSCLC. Our oncology business unit is growing by 80% and year-to-date we saw tremendous growth behind Tagrisso, Imfinzi, Lynparza as well as Zoladex which is over 15 years in the market but still came up with strong 21% growth.

Moving over to our largest brand in the portfolio, which is Brilinta, Ticagrelor franchise. And here again we did experience loss of exclusivity in the quarter 2 and Brilinta was facing stiff competition but still continues to lead the market. While our overall performance shows a de-growth of minus 7%, but there is a strong volume uptake of close to about 18% given the reduction in price.

I move to a very exciting high news portfolio in diabetes, which contributed the 38% of AstraZeneca's revenue, and the big news was the DAPA-HF readout. So DAPA franchise, year to date, sales was 262 crore and the franchise growth was 24%. But what's really, really important is that we received the DAPA-HF approval by DCGI in July of this year, and is the only SGLT2 which is now indicated for treatment of HF. We were also in spite of challenges with COVID able to accomplish successful launch of Qtern in February of 2020.

And there was a significant news coverage, which we were able to reach out through digital press coverage or news coverage around DAPA-HF, significant interest by media around the DAPA-HF approval. I'll segue from business into something which is very close to our hearts, making the business very sustainable and here we are looking at assessable size for larger social transition. A three pronged approach to make science accessible and sustainable for the society through access to health care, environmental protection, ethics and transparency. The honorable Chairman spoke about Ganga Godavari and how it is helping with screening in the underprivileged segment. But along with that we've touched lives of 400,000 youths in the YHP program, which in many ways, talks about how the right habits in adolescents can not only improve one's life but also have an impact across the society. We're in the 10th year with YHP

program. We also kicked off Make a Wish Foundation, where with terminally ill cancer patients, particularly juvenile cancer patients, we helped fulfill 300 wishes, as our employees participated in this program. We're also very mindful that we sit at a cusp where technology has the potential to disrupt healthcare very significantly and at AstraZeneca we want to be part of that conversation as well and part of that led us to partner with NASSCOM and set up Center of Excellence. And our focus is towards frugal innovation for diagnosis and management of non-communicable disease. We partnered with three startups like Predible Health, Ten3T, Pathshodh. I won't go into details, but all I can say is, they are one the most brilliant minds trying to solve big challenges which today the healthcare faces. Project Heartbeats in partnership with TRICOG where we focused on serve geographies, and it's algorithm based ECG diagnosis is something which can really revolutionize the way healthcare and particularly cardiac care is delivered in the acute setting of heart disease.

Our last segment is the Great Place to Work. However, we work every day to be considered among the top employers of choice. What's very important is how do our employees tend to view us and I'm really glad to share that we have increasing pulse scores on our engagement level. And the latest score was where we were voted by our internal assessment. 95% of the employees believe AstraZeneca is a great place to work. Even in terms of our external recognition, we've been certified a Great Place to Work for the second consecutive year. A second consecutive year, we've been recognized as the top 100 Best Companies for Women to work by Working Mother & Avtar Group. And for the first time we've made among the top 50 companies in the People Capital Index by Jombay. And that makes us really proud that apart from making a difference to lives of our patients, we're also making significant progress as a great place to work. With this, let me pass it back to the honorable Chairman. Thank you.

Narayan K Seshadri:

Thank you Gagan, thank you for that in depth, comprehensive 360 degree view of what's been happening in AstraZeneca India. It makes me proud to be part of this, associated with this company and being the Chair of the Board of the company like this. Now, I would like to explain some of the objectives or the seven items on the agenda in the notice. Let me begin with number one, it is the regular standard one of adoption of the financial statements for the year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, number two items pertains to confirmation of the payment of interim dividend of Rs.1 per equity share for the financial year 2019-20. Number three pertains to appointment of a director in place of Ms. Sarah Wang, who retires by rotation and being eligible offers herself for reappointment. Number four pertains to appointment of Mr. Ankush Nandra, as a Non-Executive Director. Number five pertains to appointment of Mr. Gagandeep Singh Bedi as the Managing Director of the company for a term of three years, that is July 1, 2020 to June 30, 2023. Number six pertains to reappointment of Mr. Rajesh Marwaha as the Whole time Director of the company for a term of three years i.e., December 2, 2019 to December 1, 2022. Item number seven pertains to the payment of remuneration to M/s. Rao Murthy & Associates cost accountants appointed by the board as cost auditors of the company. The Explanatory Statement forming part of the notice provides necessary details in respect of business items four to seven.

Moving on, as required under Section 108 of the Companies Act, the company provided remote e-voting facility to the shareholders to cast their votes electronically in respect of all items of business in the notice dated May 18, 2020. The remote e-voting facility, which was kept open for a period of four days from August 6, 2020 9:00 AM, closed at 5:00 PM on August 9, 2020. Mr. Vijay Krishna KT practicing Company Secretary is the scrutinizer appointed by the board of directors of the company for scrutinizing the remote e-voting process, in a fair and transparent manner and to submit his consolidated report on votes cast for and against each of the resolution as per items one to seven of the notice to the chairman or a director or officer authorized by the chairman.

As the AGM is held virtually the option for physical voting at the AGM is not available at this time. However, the company has enabled e-voting facility during the AGM, members who have not cast their vote on the resolutions through remote e-voting and are otherwise not debarred from doing so, shall be eligible to vote through the e-voting system during the AGM the icon for e-voting is available on top of the screen under your e-voting tab, which will redirect the members to the e-voting platform of NSDL. The e-voting facility would close after 15 minutes from conclusion of this AGM.

I would like to share with you some information of general interest to shareholders now. Number of shareholders 34,434 as on August 3, 2020, number of employees 1,308 as on date, number of board meetings held during 2019-20, 6 all well attended. Number of Audit Committee meetings held during 2019-20, 4 all well attended. Number of independent directors 3. Book value per share Rs.145.77, earnings per share Rs.28.90, share price latest closing price Rs.3,332.80, last AGM Rs.1,956.35. Amount transferred to investor education and protection fund: unclaimed dividend of Rs.5.62 lakhs lying with the company for a period of 7 years pertaining to the financial year ended March 2012 was transferred to investor education and protection fund during FY 19-20. Key focus areas of the company: diabetes, cardiovascular, oncology, respiratory. Companies growth brands: Brilinta and partner brands, Forxiga, Xigduo and partner brands, Tagrisso and Lynparza and Symbicort..

Top brands (Rs): Brilinta in sales 1,331 million, Forxiga 1,130 million, Tagrisso 931 million, Oxra 585 million, Xigduo 463 million, Crestor 336 million, Seloken XL 323 million, Oxramet 311 million, Betaloc 262 million, Lynparza 257 million. Single largest selling product of the company: Brilinta contributed 16.6% of total sales. It is an oral anti-platelet treatment for acute coronary syndromes in adult patients, it was launched in India in 2012. Inventory holding on sales, this is on sales 75 days versus 63 days in FY 18-19. Total revenue up by 13.5%, net sales increased by 17.3%, material consumption to sales 38.09%, employee cost as a percentage of sales 27.05%, previous year it was 28.89%. Debt, the company is a zero debt company. Business Segment: the company has one business segment namely healthcare.

Now, shareholders who have registered themselves as speaker shareholders are invited to express their views or ask questions which they might have on the items of the business of the meeting. The queries will be answered after all the allowed speaker shareholders have raised their questions. The members who wish to speak are kindly requested to be brief, in view of the

available time. When referring to any item in the annual report, please indicate the page number. Please do not repeat the same question already asked by another shareholder. I would request the moderator to unmute the speaker shareholder to begin the question and answer session.

Moderator: Thank you so much sir. We will now unmute the shareholder who've registered themselves as speakers during the AGM to enable them to express their views or ask questions. We have the first question from Mr. Priyadarshan Ramkrishna Nayak, Demat account number / folio number IN30214810817664. Sir, you may go ahead with your question.

Priyadarshan Nayak: First of all, thank you so much, the entire AstraZeneca Pharma India team for a wonderful year FY '20. I know the COVID impacted from March onwards, but as far as the FY '20 results are concerned, I should really appreciate 17% increase in sales, 32% increase in profit, especially complements Mr.Bedi, operating profit of 38% increase over last year. Very good, I must also thank you for the interim dividend of Re. 1 per share that is 50%. This too is very welcome after a long drought period. I'll stick to three questions so, that I am within your three minute timeline. The first one is about the newspaper items which we read almost practically every day. Oxford University and AstraZeneca UK has tied up with Serum Institute of the Poonawalla. Why isn't AstraZeneca India somehow into this stream. I understand it's already phase three trials going on, strong immune responses have been noticed in the host bodies. I also understand the Bill and Melinda Gates Foundation is paying a lot of money to the serum Institute. Why isn't AstraZeneca a significant part of this effort. So that's my first question.

My second question is connected to related party transactions. If you look at the purchase of raw materials and traded goods, the same AstraZeneca UK (which tied up with Oxford University for the COVID the same one I referred to before), has led or has got AstraZeneca India, our company to purchase 279 crores worth of traded goods and raw material. This is a 50% increase over last year's 186 crores. AstraZeneca Sweden too has joined the bandwagon- 25 crores three times the last year's. Now, the issue is, if you go to the P&L statement there is an increase in inventory of raw materials and traded goods of over 40%, something like 39.2 crores in this change in inventory due to FG, WIP, traded goods. If you go into your point 29 you will notice FG no problem, in fact it has come down, work in progress no problem but traded goods have gone up by 40 crores. So, last year it was only one crore. You all know how it affects the P&L statement- it decreases your expense, it increases your profit. So by decreasing your expense, your PBT which was 114 crores should have been less by say about..

Moderator: Sorry to interrupt, this is the operator here. You have more 10 seconds sir.

Priyadarshan Nayak: Yes, it has just then about 40 crore less which is almost last year. So, if you look at it the total tax would have been which you have paid 42 crores, last year only 18 crores. So, the 50% dividend which you had given could have been as much as 400%. Again my third point which I'll conclude quickly is about the dividend. The retained earnings or the surplus was something like 38% higher than last time. 232 crores versus 168 crores. If you see your page 104, you find the dividend distribution policy says retained earnings to be utilized for diversification, business acquisition, or CAPEX. I didn't find any of these in the annual report. So perhaps you would

explain why the balance is not being distributed as dividends because neither of these statements are there. So, thank you very much I appreciate the question opportunity given to me, I hope you will have a wonderful year ahead. Before I wind up, a thanks to Palavi of Chorus Call for facilitating this so smoothly, so thank you very much. Next year I hope this COVID should be over and I'll be able to meet all of you physically, like I've been privileged to do for the past so many years. Thank you.

Moderator: Thank you so much, sir. We have the next audio question from Mr. Sudarshan Padmanabhan folio number IN30152430011096. Sir, you may go ahead.

Sudarshan Padmanabhan: Sir congratulations on very good performance over the last couple of years. Sir my question is, if I look at the key therapy areas, of course oncology has been one of the best performer over the last couple of years, I would like to understand that the three products that we had earlier discussed quickly about, Tagrisso, Lynparza and Imfinzi, we have seen some of *indications* of cancer being extended for some of the products. Can you talk a bit more about, what is the kind of market size that can actually increase because of such extension and whether similar extension is possible for the other couple of products as well. And if you can talk a bit more about the pipeline, because if I look at last year, our parent has got an approval from the US FDA for Enhertu, which is trastuzumab deruxtecan and has spoken highly about it. And whether that product can similarly come to India and other products in the pipeline, for how many products from oncology do we expect on an annual basis. And given that these are patented products and unique products, what is the kind of margins that we are looking at versus the company's average margin. Given that, again, some of these products are unique in that category and gold standard, can you talk a bit more about the prescription rate and the number of cancer patients you would have treated in say FY '20 versus FY 17-18, etc. So, how has the progression been and how do you expect both the launches and the existing molecule traction to go ahead, moving forward.

On the diabetes side, this has become the number one therapy right now. How do we see QTERN and Xigduo gathering momentum and also a bit more about both the DPP 4 and SGLT 2, the products that we have on the pipeline. And on the diabetes side, given that DAPA is now also indicated for heart failure, what is the kind of increase in the market rise that do we see over here. And with respect to the cardio segment, ticagrelor has gone off-patent and so there has been some kind of price reduction over there. Whether the impact on the coronary, expansion of coronary acute coronary segment, will be able to offset the kind of fall ? and even globally there is a lot of studies with respect to this product saying that it was reducing the risk of stroke, whether similar studies can be done in India and hence the market price of the similar products can expand? Also with respect to the respiratory segment, it is very small at this point of time. How do we see the next three to four years as far as scale up is concerned. Taking forward the discussion from the previous participant, we also noticed that we continue to import a lot of materials and the related party transactions, with the parent continues to remain high. Given that we have a manufacturing facility in Bangalore, so shouldn't we look at Make in India over the next three years as an opportunity and also, can you talk a bit more about margin given that these products are all unique and therefore, where should we see the margins over the next year? Thank you, that's all from my side.

Moderator: Thank you so much sir. We have the next audio question from Mr. Satish Bhatt, DP ID 300011, client ID 10173533, Mr. Satish, you may go ahead.

Satish Bhatt: Sir, I've been a shareholder of the esteemed company since last 18 years and it has been a good journey of course with many ups and downs in the financial performance of the company. The company has tremendous focus on its products and also its employees have come out stronger after every storm, of which the company has faced. I hope and wish the strategy, which the company has laid down to focus only on patented and science-based innovation molecules from the (Inaudible) will result in the new avatar of AstraZeneca for the coming two decades., I will draw one inference - In the last 20 years, the Chinese subsidiary has grown from \$100 million in the year 2000 to plus \$4.2 billion in the year 2020. That's a CAGR growth of 22 to 23%. Last year, we just crossed a milestone of \$100 million dollars in sales. And, I just want to know whether we are rightly aligned in terms of such stupendous growth rates of we becoming first reaching a milestone of a billion dollars, then two and three billion dollars. India is a very under penetrated market in terms of per capita pharma spend and this country has also high incidence of non-communicable diseases like cardiovascular diabetes, renal respiratory and oncology. The parent's focus is all in the above segment. I just want to know, what type of commitment we are already getting from the parent in terms of launching of new product. So, are we now in the cusp of getting the accelerated growth of 30%, 40% for the next five, six years when most of products like Tagrisso, Imfinzi and Lynparza and the new coming Enhertu and maybe the ADAURA trial of Tagrisso can give us an exponential growth in those products. Sir, I have been a great fan of this company, the only thing which our company is lacking is in terms of dividend payout ratio. If you see our other MNC peers like Glaxo, Pfizer or Sanofi the dividend payout ratios in the region of 50 to 60%, whereas, last year we generated a cash flow of something like 84 crores, but our dividend was only 3 crore, this is only you can say, boxes where we are lacking in terms of other MNCs in terms of who are operating in this industry. We have one of the best product portfolio, the only thing is we have to go start giving some more things to the dividend. I hope this year you started with increased dividend of two, I hope we go on giving quarterly dividends and at least maintain a payout ratio of 50 to 60%. Sir, I've already mailed you my queries, which you have to answer, I already gave you the queries to your Company Secretary which has already been acknowledged by him. Sir, at the end of day, I would thank Mr. Seshadri and his team and Mr. Gagan the MD and Mr. Rajesh Marwaha the CFO for stupendous performance in the last years. And I wish them all the best for the coming future. Thank you.

Moderator: Thank you so much. We have the next question from Mr. Anshu Agarwal, Demat account number 1208160013184415. Mr. Anshu, you may go ahead.

Anshu Agarwal: Just a couple of questions listing them down straightforward. Firstly, are there any medicines there is going to go off patent in near future, last year we had Brilinta so if you can comment on that. Secondly, how does the pricing between the parent and AstraZeneca India work, if a product goes off patent, so the cost that we pay to the parent also gets reduced parallelly or it remains the same?, third what is the royalty expense in the other expense side in the P&L in the annual report page number 108. From what I know and have the discussion in previous annual general meetings, we don't pay any royalties to the parent, that was third. And lastly, in case of exclusive

distribution rights that we had earlier with Sun Pharma and Abbott, what kind of income stream does AstraZeneca India get, is it like a royalty on sales or do we sell the product to them directly, which has profit margins built in that?, that would be all from my side sir. Thank you.

Moderator: Thank you so much. We have now heard from all the speaker shareholders, I now hand it over to Mr. Narayan K Seshadri. Over to you sir.

Narayan K Seshadri: Okay, thank you. Firstly, I would like to thank all the participants who have come forward and share their thoughts and views and also thank you for your wishes and congratulatory messages. It is quite comforting that we have shareholders who take significant interest in this company and want to see it progress. Some of the questions I would request the management team to respond and the few of the overarching points, I would like to sort of address the items which are more to do with some of the points which have been mentioned here. Let me start with dividends.

First, I would like to share the news and which many of you might have already seen there is dividend which has been declared today and you will see that the dividend percentage has effectively been doubled. So that there is some sharing which happens insofar as the payout ratio, improvement in payout ratio is concerned. In the same breath, I would also like to say that the expectation of this company is to grow, to becoming the multibillion dollar business as opposed to being in the million dollar kind of framework, which invariably involves considerable investment or reinvestment into the business for its growth and the reinvestment may be by way of increasing working capital, could involve other measures which need to be taken and including, any facilities which needs to be built, etc. So, for the time being the Board being extra cautious, we have been to a great extent persuading the management to look at the entire range of issues to be dealt with and then make the decision in so far as dividends are concerned. Keeping all of those in mind, we have now increased the dividend payout from 50% to 100% as a first interim dividend this year. I'm not giving any kind of indication that this trend will continue every quarter, but at least we thought we would begin the new year with this distribution and see how things go as we go along. Certain other points which have been made in so far as whether it is related party or some of the other areas, there are various arrangements which are in place. I would like Gagan and team to start looking at these and responding to it. If, I may hand over to Gagan for the time being or even Rajesh can respond to some of the questions.

Gagandeep Singh Bedi: Question which was asked was the expanding indications and our new products as well as, as you all have seen a pipeline of new products in the presentation as well. But we must remember that the launch of these new products is dependent on regulatory approval, phase three clinical trials as well as global approvals. One of the things we see is development of companion diagnostics which is required to bring some of these either products or indications into the market. So there is always a significant new launch effort which needs to be done behind it. But yes, the other question was around how do we expand when we look at the new indications and the market sizes. So some of them are really interesting for example, in small cell lung cancer now that we have approval, one of the things is that these are diseases which do not have many

options, like pancreatic carcinoma, or SCLC. And now we've got an opportunity to address some of these things. And they are still significant enough because close to 10% to 15% of lung carcinomas are small cell lung carcinomas as well.

Similarly, heart failure gives us a huge opportunity to address a very, very significant unmet need. And this is one disease where the prognosis is actually like oncology, not very good, you have mortality in three to five years. Therefore, we believe that there is a very, very significant opportunity which sits in terms of DAPA heart failure as well. Overall, I will say in line with our past practice, we continue to intimate of our new launches, and even with our future new launches based on approval timings, so we'll continue to intimate to the stock exchange as well.

Narayan K Seshadri:

Rajesh do you want to address any other questions or shall I?

Rajesh Marwaha:

Yes, sir. Sir, one of the question was asked on the revenue stream from the partners, whether we have a royalty coming in from the partner for the exclusive rights given to for example, Sun Pharma. I just want to state that your company books a sale when the products are sold to the partner on principal-to-principal basis and earn margin on the same. There is no royalty arrangement, it is a margin arrangement for the sales made to the partner. Some of these products are manufactured by AZ parent company and in some cases, the packaging is done at the factory setup in India.

There was another question on the related party transactions, how the products pricing is decided with the parent company. So, just want to illustrate, as you all are aware that for all the imported products, we act as a kind of a distributor with a parent company. The pricing on the product depends on the affordability in the market. We have been very, very responsible in deciding and determining the price at which the products are to be sold in the Indian market, keeping in mind the affordability and covering the maximum number of patients. And the pricing in these cases is decided on various aspects like commercial viability, arm's length basis, based on the transfer pricing guidance as per the transfer pricing benchmark under the income tax rules.

There was a another point on the royalty, I just want to reiterate once again that there is no royalty being paid to the parent company, we have not paid any royalty so far. The royalty expense which you see in the P&L is on one of our product, which have been in-licensed from an external company, the product name is Imdur. This is not part of the parent company portfolio. Imdur we have a licensed from another company and we manufacture and we sell locally here in the Indian market, on the basis of that we pay the royalty to this company. There is no other margin being paid. So, I just wanted to explain on some of these questions.

Gagandeep Singh Bedi:

And if I just may add, one of the questions right at the upfront was about, our vaccine play in India and I'm glad to inform that, we have announced agreements with CEPI, GAVI as well as Serum Institute of India (SII) that will bring the AZD 1222 to lower middle income countries, including India through the access to COVID-19 tools. Serum Institute of India is one of the world's largest vaccine manufacturers by number of doses produced, supplying vaccine in around 170 countries across the globe. The partnership is a sub licensing for SII to manufacture

and supply 1 billion doses to low and middle income countries. 400 million of which could be available before the end of 2020. In addition, GAVI, SII have inked an agreement to support 100 million doses early next year for LMICs countries which is low middle income countries including India.

Narayan K Seshadri:

A few other questions which I'd like to quickly cover. There was a question on manufacturing and are we setting up with Atmanirbhar kind of thing. Your company is always looking at localizing opportunities for manufacturing in India. However new product manufacturing needs to have technology transfers, capability studies in India, requiring accreditation and investment. So, these will continue to be explored and depending on how things pan out and based on various other points which have been discussed, the decisions be made in appropriate time. So, it is not as though the entire thing is close, it is always being looked at in order to make sure that we are on the right track.

There were some points in so far as digital marketing is concerned, whether it is right for a company like us. Today digitization is becoming demand rather than whether it is an option for anybody to embrace. Right now, as we speak, we are all in digital mode achieving what we were earlier used to, to have to travel. And do in the comfort of your own homes you can participate, you can be part of the discussions. So, whether it is getting to a healthcare professionals or many other facets can be more effectively and perhaps efficiently done through digital means. In any case, healthcare is increasingly becoming a technology driven activity as well at a different level altogether. Therefore, digital and digital marketing, etc, is for here to stay and we only hope we're ahead in the game rather than behind on any of these.

There have been some questions on employee cost and headcount. Being a science lead company, focusing on chronic and patented portfolio, we do require a highly skilled workforce. And therefore, we have to have that people. Also with new launch is being looked into, these again require considerable planning, various other measures to get to where we want to, therefore in terms of basically making sure that we have the right number of people, with the right skill sets and many of them are hard to combine therefore, there is a market pressure and whatever is the availability we look at people coming on board as such. There is no targeted reduction in so far as the number of employees and any function is concerned. There is general attrition. Where there is no need for us to fill in positions, we let that be. But doesn't mean that we have lost any of the skills which we need in the company.

I've already spoken about the top 10 products and the sales part of it.

The other question is, high inventory was one of the things mentioned. Inventory what you see on the balance sheet is at a point in time, especially when you have COVID kind of a situation arising, it's not just this company, I've seen in other companies where raw material stocking happened in order to ensure that future supply chain disruptions don't happen and as a result, factories have left underutilized and things don't necessarily add up to being able to distribute and reach our products to the patients and the consumers, we want to ensure to get it.

There have been in the presentation which Gagandeep made, gave a good insight into the future products what is expected, how global is supporting us through this whole growth phase. And, the management here has done a stellar job, the better they do, the more comfort with global will have in so far as supporting India is concerned. At the end of the day, it is a market where there is a lot of questions which we need to answer before things can move. But, I believe and the Board believes that all the right measures are being taken to grow the market. They are not looking to just coast along, but they are proud and they want to continue to be proud of growing the market and being the top performer in so far as the market is concerned, with the strategy which there has been defined in so far as the company is concerned.

So, overall, the levels at which things are moving is hugely satisfactory. I believe more will be achieved as we go along and I'd like to sort of pause here and move on to the next, which is basically to say that most of the questions have been answered. And I'd like to thank all of you for your interest in the company and the kind of questions you're raised. If there are more queries from the shareholders you can write to comp.secy@astrazeneca.com which management will be looking to respond.

This effectively concludes the business of the day. As informed before the e-voting facility would close after 15 minutes. The results of the remote e-voting will be declared by Wednesday, August 12, 2020. After receipt of the scrutinizer's consolidated report, the results shall be placed on the companies website and will be intimated to the stock exchanges. And finally, I'd like to thank you all ladies and gentlemen for being with us this afternoon. I wish the shareholders all the very best, good health and stay safe. I now declare the meeting as closed.