



“Gland Pharma Limited”

August 31, 2023



Management:

Mr. Stanley Y. Lau, Chairman
Mr. Srinivas Sadu, Managing Director and Chief Executive Officer
Mr. Chen Qiyu, Non-Independent and Non-Executive Director
Mr. Yao Fang, Non-Independent and Non-Executive Director
Dr. Jia Ai (Allen) Zhang, Non-Independent and Non-Executive Director
Ms. Naina Lal Kidwai, Independent Director
Mr. Udo Vetter, Independent Director
Mr. Essaji Goolam Vahanvati, Independent Director
Mr. Ravi Mitra, Chief Financial Officer
Mr. Sampath Kumar, Company Secretary



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Moderator:

Dear shareholders, good morning and a warm welcome to you all to the 45th Annual General Meeting of Gland Pharma Limited being held through video conferencing and webcast. The facility for attending the AGM through video conferencing is being provided to a minimum of 1,000 shareholders on first come first serve basis. For the smooth and seamless conduct of the meeting, the bridge of audio and video of members for interaction with the Directors will be closed until they are allowed to speak at the AGM as per the pre-registration.

Members are also provided with the webcast facility for attending the meeting. Please note that as per the requirements of the law, the proceedings of the Annual General Meeting will be recorded and the transcript will be uploaded on the website of the Company.

I now invite our Chairman, Mr. Stanley Y. Lau, to initiate the proceedings. Over to you, sir.

Stanley Y. Lau:

Good morning ladies and gentlemen. On behalf of the Board of Directors of Gland Pharma Limited, I cordially invite each one of you to the 45th Annual General Meeting of the Company. This meeting is being held through video conferencing and other audio-visual mode. We comply with the regulatory requirements of Securities and Exchange Board of India. The Company has taken all possible steps to ensure that the shareholders are provided with an opportunity to participate at the Annual General Meeting and also to vote. We are very pleased to have your virtual presence here together with us today. As the requisite Quorum is present, I now declare this meeting open.

I would like to start the meeting with a brief introduction of our Board members and other key invitees who are participating through video conferencing. I would request you to raise your hand as I call out your names.

Mr. Srinivas Sadu, MD and CEO, he is joining us from the Gland Pharma Corporate Office. From Shanghai we have Mr. Chen Qiyu and Mr. Yao Frang, and from US, Dr. Allen Zhang, these are Non-Independent and Non-Executive Directors.

Our Independent Directors Ms. Naina Lal Kidwai from Delhi, Mr. Udo Vetter from Germany, and Mr. Essaji Goolam Vahanvati from Mumbai are attending the meeting. We also have with us Mr. Ravi Mitra, CFO, Mr. Sampath Kumar, Company Secretary, and the representatives of the Statutory Auditors and the Secretarial Auditors as part of this virtual meeting.

I request all attendees to extend their full support and cooperation for a systematic conduct of the proceedings of this virtual meeting today.

And with that, ladies and gentlemen, I pass you over to Mr. Sampath Kumar, our Company Secretary,



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Sampath Kumar:

Thank you, Chairman. Good Morning dear members. This meeting is being conducted through video conference and webcast as per the provisions of the Companies Act, 2013 and various circulars issued by the MCA and SEBI. The annual report containing the Directors' report, Auditor's report, Financial Statements and other reports along with notice of this meeting, have already been circulated to the members at their registered e-mail ID. I hope you all have received a copy of the same.

Since there are no qualifications, observations, comments or remarks in the Statutory Auditor's Report or the Secretarial Auditor's report for the year-ended 31st March 2023, I take liberty to not to read the report in the interest of the time and consider the reports as read.

In order to enable the shareholders to vote on the resolutions, we have provided e-voting facility through Link-Intime platform. The e-voting commenced at 9 a.m. on Monday, August 28, 2023, and ended on August 30, 2023 at 5 p.m. The voting rights were reckoned on the shares held as on the cut-off date, i.e. August 24, 2023.

Since the shareholders are provided with e-voting facility, there will be no voting by show of hands at the meeting as per the statutory provisions. In case you have not exercised your voting through remote e-voting facility, I request you to do so now while watching the AGM proceedings. Voting will remain open up to 30 minutes from the time the Q&A session ends.

The statutory document, registers and reports which are required to be placed at the AGM for inspection are open for inspection electronically. If any of the members wish to inspect them, they can write to us at investors@glandpharma.com. My colleagues will facilitate the inspection electronically.

May I now invite our Chairman, Mr. Stanley Y Lau to address the shareholders and deliver his speech

Stanley Y Lau:

Thank you Sampath. A warm welcome, ladies and gentlemen to the 45th Annual General Meeting of your Company. It gives me great pleasure to present to you a brief overview of your Company's performance in FY 2022-23. You must by now have read our Annual Report of the year that went by, posing several operational challenges along the way.

We grappled with unforeseen turbulences that were continually setting back our production performance for our markets worldwide and seldom let us settle down to a pattern. Our top-line was under stress, compounded by bottom-line worries caused by escalating costs. But, regardless of whatever circumstances that come and go in a business enterprise's operations, its inherent strength is borne out by what lies at its Core.

And Fiscal 2023 was a true test of what have always been our core strengths: unremitting commitment to Quality in whatever we do, reinforced by our best-in-class production facilities, stringent Regulatory compliance and future-focused R&D.



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We strove right through the year to strengthen this very Core, by diversifying geographically, enhancing our product portfolio, making international acquisitions and entering new markets. Details of these strategic initiatives have been amplified in the Annual Report.

Our acquisition of French-based Cenexi should give a fillip to our development capabilities in sterile forms, including ophthalmic gels and hormones. We have also taken some firm strides to build our bio-CDMO business. Beginning to get product approvals in China signaled a big step forward into this large, new market.

Our success in registering several products in other new geographies, filing a new complex products, and completing a good number of ANDA/DMF filings, is an effective endorsement of our immense core strengths in R&D and Regulatory compliance. Through all this business growth, your Company has diligently maintained a sharp focus on its 'Environment, Social and Governance values, and makes every endeavor to keep its business model sustainable.

It has in place an effective Risk Management policy, which helps it identify potential business risks well in time and keep its business growth safe and sustainable. Through an ever-vigilant EHS audit system, it keeps a strict vigil on saving energy in every possible conceivable way and on obviating climate-related risks. Holding itself responsible as a corporate citizen for respecting Mother Nature as well as the larger community around it, your Company engages in activities to promote social development, environment protection and wildlife protection.

Looking back at financial year 2022-23 in perspective, there is ample reason to be satisfied about how your Company fared overall, as well as to look forward to a promising future ahead. Your Company's resilience bears testimony to its ability to take setbacks in its stride, spot opportunities hidden beyond even the most daunting scenarios, fight its way with a practical step-by-step approach, and emerge triumphant from the ordeal.

Much of the credit for all this goes to our customers and strategic partners, who have always stood by us through every challenge. I am deeply grateful to them, as well as to our employees, who displayed utmost commitment through thick and thin. My sincere thanks also to my fellow Directors who, with their professionalism and commitment to your Company's welfare, guided it through this testing year with considerable foresight. Working through so many uncertainties wasn't an easy task. They have indeed had a big hand in making your Company stand tall today. May the coming years see us emerging even stronger.

With my best wishes to all of you. Thank you.

Sampath Kumar:

I request Mr. Srinivas Sadu, MD and CEO, to give you a brief overview of the business.

Srinivas Sadu:

Thank you, Chairman Stanley, for your energizing opening address, you gave an overall bird's eye-view of Gland Pharma's performance in a nutshell. Your rational assessment and positivity were indeed very encouraging.



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Good morning to all the attendees at this Annual General Meeting, the 45th since your Company's inception, and third since its listing in November 2020. Thanks to the COVID pandemic that stepped into the world in early 2020, we are having to continue with virtual meetings to this day. Thank you very much for taking the time out to attend this meeting. I would like to begin by taking you through a brief presentation of how FY 2022-23 went by. This first slide quite appropriately begins with affirming your Company's pride in its Core, and its resolve to continuously strengthen it even further, whatever be the odds stacked against it.

As you must have gathered from our Annual Report, your company's 'Core' is built on four strong pillars, steadfast focus on quality, second-to-none production facilities, unflinching regulatory compliance and R&D that always works with an eye trained on tomorrow.

And during the year just gone by, your Company fortified this 'Core' in three strategic directions, diversifying our geography, enhancing our product portfolio and making overseas acquisitions. These core-strengthening efforts will see to it that our business remains rock-solid and continues to create long-term value for all our stakeholders. The collective will and spirit of Team Gland will propel your Company confidently into the future. I shall take you through this narrative over the next few slides. As you are well aware, your Company is one of the world's largest generic injectable companies, with an exemplary track record of delivering value to its stakeholders.

Viewed purely from the numbers perspective, this slide presents a rather sobering sight on the face of it, with Revenue from Operations showing a Compound Annual Growth Rate of 15.4%, and Net Profit with CAGR of 14.7%. The reasons for these year-end decreased figures are quite many, and have been explained at length in our Annual Report and at our earnings call. Briefly put, we had to contend with innumerable, unforeseen supply-chain disruptions throughout the year; our production was badly hamstrung by non-availability and agonizingly long lead times for raw materials and primary packing materials.

We faced tough challenges in the Indian and Rest-of-the-World markets, as well as a much-reduced intake of some of our key products in the US market. There was inventory build-up at our customers' end. COVID-related sales fell drastically post-normalization. And some of our customers resorted to strategic shifts, with one of them even filing for insolvency. Here's a quick run-through of our Positives.

Our robust diversified product portfolio enable us to enter various geographies and also increase wallet share of our existing customers. This is made possible through our dedicated focus on building internal knowledge band-width and management buy-in. In this regard as on March, 2023 we have filed 334 ANDAs in the US.

During the past year, we filed 29 ANDAs with the US-FDA, and received 28 ANDA approvals. We also filed 9 Drug Master Files with the US-FDA to strengthen our backward integrations and control over supply chain. We launched 35 product SKUs in our US market. This has considerably widened our basket of product offerings there.



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We signed our first contract for Plasma Protein at our new Bio-CDMO facility in Shamirpet, Hyderabad. It testifies to our team's strength and the robust infrastructure we have installed there. Many potential partners are evincing interest in exploring bio-CDMO opportunities with us. Our Dundigal, Hyderabad facility received a post-inspection Establishment Inspection Report from the US-FDA, thereby sustaining our ability to continue to manufacture and export our products from that facility to the US.

And there are some Challenges which we had encountered. We faced higher pricing pressure with increased competition, which quite significantly impacted our revenues as well as margins. Many of our customers rationalized their inventory, compelled by their own revised business considerations and challenges. The year began on a base mode which is higher in the previous year by robust sales of COVID-related products. With the subsidence of the pandemic thankfully, our sales of these specific products also saw a quick reduction to pre-COVID levels. New product launches made during the year fetched us less revenue as compared to earlier year. Our Domestic market, as was the case with our other markets, post-COVID sales saw a perceptible dip.

There was a chronic short-supply of primary packing and production process materials like syringes and stoppers. To offset this challenge, we took new suppliers on board, optimized our production efficiencies, and ensured that our new product launches at target markets continued throughout the year without too many glitches.

Let's look at our business performance. Our Revenue from Operations at INR36,246 million was down 18% Year-on-Year. Gross Profit at INR19,392 million and with an EBITDA of INR10,248 million, which is down by 30% year on year. Profit after tax was at INR7,810 million.

Our total assets grew by 12% over the previous year, which stood at INR87,775 million. And our net worth at INR79,587 million grew by 11% over the previous year. We have presence in over 60 countries with our market-wise performance being as follows.

Revenue from our Core market which includes US, Canada, Europe, Australia, New Zealand, at INR26,851 million accounted for 74 % of our total revenue. Revenue from our Rest of the World market which includes Middle-East and North Africa, Latin America and Asia-Pacific at INR6,894 million accounted for 19% of our total revenue. Revenue from our Domestic market, at INR2,501 million accounted for 7% of our total revenue.

We are debt-free, with zero long-term bank borrowing.

During the year, we took several important steps in line with our focused strategy on revenue diversification for the rest of the world market. They resulted in us achieving a CAGR of 12% in our RoW markets, where our focus has been on, Middle-East and North Africa, primarily Saudi Arabia, UAE, Morocco and South Africa. Latin America, primarily Brazil, Chile,



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Colombia, Mexico, Peru, and Cuba and Asia-Pacific, which includes Thailand, Malaysia, Kazakhstan and China.

China needs a special mention here. We received our first product approval in this country where we have intensified our focus last few years. And we have launched our first product, Dexrazoxane, during the year. We expect to get another 3-4 product approvals very soon. All these developments augur well for a very good foothold in this large, new geography, with a good number of products set to find visibility there.

We have also been making intense efforts to expand our product portfolio, which has yielded very satisfying results. Some of our products currently very visible in the Rest of the World market are Caspofungin, Cisatracurium, Dexmedetomidine, Enoxaparin, Heparin, Polymyxin, Rocuronium and Tigecycline.

Let's talk a bit about the Cenexi, the acquisition and the rationale behind it. In pursuance of a strategic objective of diversifying our business model and geography, especially Europe, we acquired 100% of Cenexi, a French contract development and manufacturing organization, from our internal cash accruals.

With four production sites, Cenexi has expertise in sterile forms, which includes ophthalmic gels, hormones, and lipolyzed fill-finished drugs, as well as in oncology and complex products. This is our first acquisition overseas and consolidates as one of the largest CDMOs in generic small molecule injectables. We are trying to integrate our business and draw synergistic benefits from this opportunity. What are the objectives in acquiring Cenexi for Gland? It helps us to expand our CDMO offerings in the European market, which offers an addressable CDMO opportunity of a EURO 4 billion.

Be in line with a strategic roadmap of building a European manufacturing presence in sterile injectables, and also helps to gain access to niche technologies of ophthalmic gels, oil blends, and creams, which currently Gland do not have. It also helps increase our customer base in the European Union, including in biologics, and also establishes our presence in the branded CDMO space in the future. We have reinforced our strengths in R&D and manufacturing. To substantially develop our complex injectables development pipeline. We are investing heavily in the research and development in that portfolio. The first phase up to FY 24-25, we are developing 19 complex injectables, which will together cater to the US market size of about \$10 billion, which includes four complex peptides, one emulsion, seven hormonal products, two microspheres, one nano suspensions and four normal suspensions.

What did we do on manufacturing? Our manufacturing processes are designed to facilitate maximum production flexibility, while also maintain the highest quality standards.

Our endeavor is to collaborate with external development partners to catalyze progress and enable knowledge sharing. It also enhances API support for our pipelines to acquire great control over our expanding manufacturing infrastructure. We have created additional capacities to help



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us add greater flexibility to our production planning. We installed four new lines adding about 200 million units of additional capacity.

New lines at our sterile injectable facility at Pashamylaram, Hyderabad include capability to handle hormones and suspensions. Additional lines with capabilities to manufacture microsphere formulations will be ready in a few months along with prefilled syringe line.

On the ESG side, we have done several, we have taken up several initiatives as it really matters to us. Our ESG initiatives are aimed at creating value for communities and the society at large.

On the education front, 21,000 students benefited from our various programs, served 2.55 million breakfast meals to government school children during the year and spent INR104.79 million on developing infrastructure of government schools. On health side, spent INR14.1 million on setting up an exclusive center for elderly eye care in Hyderabad. 3,051 elderly people, most of them poor and needy, underwent eye surgeries at the center and also spent about INR23 million on various other health care initiatives.

Several initiatives were taken up on the environmental side. By shifting to the cleaner PNG, furnace oil consumption to generate steam was trimmed by 4.52%. By ensuring 100% water recycling, we have significantly reduced water consumption in all our facilities. We have paid prompt attention to management and disposal of hazardous waste. Allocated the INR11.08 million for environmental initiatives under CSR. Planted 5,110 trees over 72 acres in our agroforestry drive.

To help raise tiger population, we supported 5,500 kilometers of food patrols in forest lands. Installed solar panels that meet 80% of the energy requirement of our corporate office and R&D center at Pashamylaram, Hyderabad. I must end with a big thank you to our customers and strategic partners, who have been with us all along despite having to put up with so much business unpredictability. I had spoken of our core strengths at the beginning of my presentation. Our biggest core strength by far is our ever united and ever committed family of Glandians. They always rose to every challenge, however daunting it was. My sincere thanks also to my fellow Directors, who have held my hand at every step of the way during this arduous year. Keeping a clear mind in the midst of so many uncertainties was by no means easy. It is immense heat that forges and strengthens to you. So was the case with your Company.

We did face the heat through these tough days, but have come out much stronger with the experience. Ladies and gentlemen, thank you for your time. You are welcome to ask any questions, and we shall try our best to answer them. I would now like to hand over to Sampath to proceed with other meeting items. Over to Sampath.

Sampath Kumar:

Thank you, Mr. Sadu. Thank you, Chairman. I am happy to share that, almost 50 members have so far logged in and are attending this meeting. Since this meeting is held through video conference and the resolutions provided in the notice have been put to vote by e-voting, there will be no proposing and seconding on the resolution as we used to have in the physical meetings.



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

Item number one and two of the notice, pertains to the adoption of audited, standalone and consolidated financial statements of the company for the financial year ended 31, March 2023. Together with the report of the Board of Directors and auditors thereon and have been proposed as ordinary resolutions, the Board has recommended the financial statements for adoption by the members.

Item number three of the notice has been proposed as an ordinary resolution for the reappointment of Mr. Srinivas Sadu as a Director liable to retire by rotation. Considering his valuable contribution to the organization and based on the recommendation of the nomination and remuneration committee, the Board has recommended the reappointment of Mr. Srinivas Sadu.

Item number four of the notice pertains to reappointment of Dr. Jia Ai Zhang as a Director liable to retire by rotation. Considering his rich experience and contribution to the organization and based on the recommendation of the nomination and remuneration committee, the Board has recommended the reappointment. The same has been proposed as an ordinary resolution.

Item number five of the notice has been proposed as an ordinary resolution for the appointment of Deloitte, Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company for a period of five years till the conclusion of the 50th annual general meeting of the company. Based on the recommendation of the audit committee, the Board of Directors has recommended for the appointment of Deloitte, Haskins and Sells as Statutory Auditors.

These are the five items which have been proposed in the notice of the annual general meeting for the approval of the shareholders.

We will now invite the shareholders who have registered themselves to ask any question to the management or the statutory auditor or the secretarial auditor. We have received all requests from the members. They will be unmuted and will be allowed to ask questions, when called upon by the moderator. Members who have not registered themselves as a speaker but still want to ask any questions may do so by posting the questions in the chat box available on their screen.

We will respond all the queries by the speaker shareholders and the queries received in the chat box in one go. In the interest of time, I request all of the speaker shareholders to please keep their questions brief and do not repeat the question, which has been asked by their fellow members. I also request them not to take more than three minutes to ensure that other members get a chance to speak at the AGM. May I now request the moderator to please invite the shareholders one by one.



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Moderator: Thank you. Ladies and gentlemen, we now begin with the question and answer session. Our first speaker member is Mr. Arunkumar Boppana. We request you to kindly accept the prompt on your screen. May unmute your audio and video and proceed with your question.

Arunkumar Boppana: Good morning to everybody, thanks to Sampath Kumar and Varun for arranging this, VC in the meeting and compliments to the annual report well, very well presented and the colors are fantastic and information is very clear there, I am very happy about it and compliments of being a pioneer in auto injectors, pen injectors and prefilled syringes as self-administered medications, which is going to be the demand for future for injectable delivery of chemotherapy drugs particularly.

And global injectable industry, injectables has emerged as the second largest drug delivery system but I understand in future, transdermal therapy also going to take over. I hope you will apply thought to that and compliments from Mrs. Kidwai's book, Survive or Sink, an agenda an action agenda for sanitation, water pollution and marine finance. My questions, what were the challenges of non-availability and long lead times of several raw materials?

Supply chain disruptions and how did the Gland Pharma face it? What is the strategy and proximity to be in the growing markets and broaden our footprint? Organic and inorganic initiatives. What is the R&D budget in '23- '24 to stay ahead of the curve. What are the opportunities with seniors above 65 years and because the growing population is at 3% annually, liquid vials, glyphosate, sterilized vials, prefilled syringes and tubes. So, this is a major issue, this KYC and IEPF. How is the Gland Pharma facing it? Because even to register on the MCA site is quite tough. I'm not having any problem with Gland.

Another company in Chennai, I hope, I found an agency in Gurugram, who's going to help but they charge around 12% to 13%. In case you have any people suffering with this IEPF issue, Sampath can contact me, I'll give the contact in Gurugram. Because I believe, you must assist the shareholders for this is a tedious job. And what is the attrition rate? Now people want easier life after COVID. And are we reskilling staff with AI and other new age technologies?

How is the competitive landscape locally with global players, pre-filled injectables? On ESG, I am sure the accomplishments are nothing short of being remarkable. In conclusion, I wish you all the best in reforming, transforming and performing. I wish you all the best. Thank you very much.

Moderator: Thank you so much. We now move to our next speaker member, Mr. Praful Chavda to ask his question. Sir, you may unmute your audio and video and proceed with your question.

Praful Chavda: Chairman, sir, Board of Directors, my fellow shareholders, Chairman, sir, your speech has covered everything. Even after this, we want to know, how many scientists do we have? And what are their educations and their level? What new products are coming? And when will they come? And how will be their demand? We have 4,585 employees. What benefits do we get from the average employees? India's map has been shown on page 11. Very good, sir.



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We are happy that India's map has been shown in the orange color. I am feeling happy about that. Sir, on page number 12 and 30, from 2000 to 2023, the company details have been shown, what progress the company is making, we have given information about that. It is good. Sir, the AGM report is good, but on the last page, the mobile number given by Mr. Sampath sir is a matter of great joy.

Nowadays, no Company Secretary gives his mobile phone. Because, after AGM, he doesn't have any interest in shareholder. It becomes difficult to contact for shareholder. The landline number is available. The person sitting next to phone asks, who is it and says, the Company secretary would say, no. But it is a good thing, you gave the mobile number because the shareholder of the whole of India will get the opportunity to talk to get information.

I am giving the good wishes of the upcoming festival and I am giving the good wishes of the festival today as well. In this regard, good work is being done in CSR. Sir, the donations that you give to your school, the school running, whatever it is, so it would be very good, if the Gita, Mahabharata was taught in this. This will give the child information about Hindu culture.

And with that, sir, I don't think, I have completed three minutes. If I have completed the time, cut it. And any speaker, cut it after three minutes. Be it Narendra Modi, or Amit Shah, or Yogiji. Don't let him speak for more than three minutes. They talk so much nonsense, they waste time. Don't let them say. Don't be afraid. Cut it. Automatically. Set a timer and it will be cut. Thank you, sir.

Moderator: Thank you. We will now move to our next speaker member, Mr. Rohinton Batiwala to ask his question. You kindly accept the prompt on your screen. We unmute your audio and video and proceed with your question.

Rohinton Batiwala: Respected Chairman, MD and CEO, other board of members on VC platform, CFO Mr. Ravi Shankar Mitra, Company Secretary Mr. P Sampath Kumar, my fellow shareholders, good morning to all of you. Sir my name is Mr. Rohinton Batiwala from Mumbai and thanks for inviting me to speak.

Sir first and foremost, I must complement our Company Secretary and the secretarial team for coming out with nice and hefty 268 pages AGM report. So, the AGM report is exhaustive, educative, knowledgeable and has adhered to all the norms of corporate governance. The facts and figures are all in place.

Sir I would like to point out that on the last inside cover page, corporate information is given, but it is very much sad to say that the team of director's names and designations are not given. Sir, it is a must otherwise how do we know who is who also sir of a registered office email website address are also not given. Sir, these things are not to be ignored in corporate information.

And sir corporate information should be on first page and not in the last page. And sir notice page is also not there in physical AGM report. That is I cannot find it in such a voluminous



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report. Sir the company has not recommended any dividend for the financial year 22 -23. So what has happen? Why not dividend? Is that your marketing is not marketing properly?

So senior citizens and senior retired shareholders will live on this income. And so if we do not recommend a dividend, where we will go and what shall we do? So EPS is 47.12 still so the board is not recommended any dividend. What will the board do of this money from EPS? Please come throw some light on it. Very soon now.

Sir what is the roadmap for next two to three years? And how do you think you will fund it? So what is the capex for next financial year? And how do you think you will fund it. And sir what is the order book value for next financial year? And sir when we will come into dividend paying lease?

Sir when are we going for digitalization? And sir what are your plans for future for the management of the Company. Now, sir, I end my speech over here with the hope that next financial year our Company will do better and start paying dividend with our magnificent chairman leading from the front. Thank you, sir, for allowing me to speak and give patience hearing. Jai Hind.

Moderator: Thank you so much. We now move to our next speaker member, Mr. Ramesh Shanker Golla to ask his question. Sir you may kindly accept the prompt on your screen, unmute your audio and video and you may proceed with your question.

Ramesh Shanker Golla: Sir, very good morning. To my Chairman and Managing Director Srinivas Sadu and co-directors and Sampath Kumar and team. Sir, good morning to all, Chairman sir understand that the problem of India and China is increasing day by day. But, when we are all doing about our raw materials importing, please tell me on that sir. How will the future be for the next two years. Are you giving ESOPs to employees. What steps are taken to increase the revenue. Are there any new recruitments. How many clients do we have in Indian and in the world. I request for the Plant visit. Thank you so much for giving me this opportunity.

Moderator: Thank you Ramesh so much. We now move to our next speaker member, Mr. Miriyala Niranjan. Sir you may accept the prompt on your screen. Sir you may unmute your audio and proceed with your question.

Miriyala Niranjan: Yeah, good morning sir, good morning everybody. Thanks for giving this opportunity. I have four questions or four requests. I would like to have your instant answer for the request or your reply. The first question is for Mr. Ravi Mitra, this is regarding this inventories, inventories increase like anything.

Earlier quarter ending 31st March 22, it was 11,856 million whereas quarter, year ending 31st March 23, it is 19,453. Because of these inventories, our inventory turnover increased from 3.23 months to 6.45 months. Because of this, our profit decrease and profit also reduced from 12,121 to 7,758 due to increase of inventory of 7,597.



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Can we be able to reduce this inventory levels? Mr. Mitra, can you answer or can I proceed to the second question? Hello?

Ravi Mitra: Please proceed to the next question, we will answer.

Moderator: We now move to our next speaker member, Mr. Amit Kumar. Mr. Amit Kumar had registered as a speaker shareholder but has not joined the meeting. So, we move to our next speaker member Mr. Reddeppa Gundluru. Sir you may accept the prompt in your screen, unmute your audio and video and proceed to your question. We will wait for a moment while the speaker member unmutes the audio and video.

Reddeppa Gundluru: Saduji, Sampath Kumar our Company Secretary, Non-Executive Directors and my fellow shareholders of this video conference, good morning Namaste sir. My name is Reddeppa Gundluru from Hyderabad, I am a financial advisor. As a shareholder, I am very happy about the Company performance, sir. Last quarter, it was wonderful, sir. My share price rises, sir. And also, sir, the annual report is very fantastic. Each and everything is included. Very colorful.

First, cover page to last page, lots of photographs and also India Map, Pharma, AIS wonderful information, sir. I have gone through each and every page. I have felt very happy and also there is a lot of progress knowledge is there. And also, I found that there is a good corporate governance in my corporate, my company is maintaining very transparent governance, ethically, good manner, accountability, transparency of accountancy is there, everything is there. So thanks to, kudos to special hardworking KMPs of my Company, CFO and CS for the maintenance corporate governance.

Financial sir, strong operation performance with consistent growth sir congratulations for the wonderful numbers are posted my company CEO and other team is doing Consistent financial performance quality management with technical momentum sir please carry on sir and also the awards we have received sir as the congrats for the awards CSR is also wonderful sir here my question is sir so what is your future vision in couple of years and also your mission sir I would like to know.

Sir, please comment and dividend sir ultimately the investor the bread and butter is dividend. So, what is your when you are going to dividend track another question is sir in other expenses the small bad debts are written off. So, please comment on that and also some other assets also written off, please comment, these are my observations I already submitted all the resolution and e-voted.

I would like to thanks to my company secretary Sampath Kumar on hosting for wonderful services. Yesterday I call his team and given the ring and Veza Event also wonderful smooth proceeding. Thank you.

Chairman and other Board of Directors thank you for giving this opportunity to speak in front of you something. Today I personally believe that my company will achieve many higher awards and recognition and will reach further heights and achieve financial targets of financial year '24



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under leadership of the Srinivasa Sadu and with the all support of board of directors. I wish all the best to the board and good health and happiness to you sir. Thank you so much for giving this opportunity. Thank you sir.

Moderator: Thank you so much. We now move to our previous speaker shareholder, Niranjan Miryala for his further questions.

Niranjan Miryala: Yes, sir. Sir, this is the second question is regarding this Mr. Qiyu Chen, Non-Executive Director and Mr. Frank Yao, Non-Executive Director and Dr. Jia Ai Zhang, Non-Executive Director. I would like to request them, can they honor one cup of coffee if I come to Singapore in their office? Hello?

Moderator: Yes sir, you may proceed with your questions.

Niranjan Miryala: Yeah, Mrs. Naina Lal Kidwai. Good morning madam, how are you? Thank you, thank you. The fourth question is ANDA. You see we have around 263 approved ANDAs, but I don't know how our revenue is increasing. We are spending a lot of energy, time, money on this ANDAs, abbreviated new drug applications, but where is the improving in the turnover or profit? Kindly give your explanations, sir. Thank you.

Moderator: Thank you so much. We now move to our next speaker member. Mr. Vinay Vishnu Bhide to ask his question. Request you to kindly unmute your audio and video and you may proceed.

Vinay Vishnu Bhide: Chairman, Mr. Stanley Lau, Managing Director of Srinivas Sadu, other distinguished directors present at today's AGM, company executives, fellow shareholders. Good morning to all of you. My name is Vinay Bhide and I'm a company shareholder speaking from Mumbai. At the outset, let me thank you for a well-presented annual report, followed by very informative details provided by our Chairman as well as Managing Director.

I've got a few questions in order to understand the present and the future better and the questions with your permission and as follows. The first question revenue from the India geography was the lowest in the past three years. The reason for this. Remedies we have taken if any, and the revenue expectations that we can have in the current financial year. That is question number one.

Question number two, what percentage of sales came from B2C as a percentage of the total sales in financial year 2022-23? And the third question, can you please provide the cumulative counts of B2B IP-led filings so far for our own filings and partner filings as also if you can provide updates on our own filings. So these are the few questions I had listed out for your response.

So before that, let me thank our company secretary, Sampath Kumar and his team Mr. Varun, as well as the event organizers, Veza Events and their team, for having made our participation so easy and smooth. I will close with best wishes to the directors and employees. Thank you for giving this opportunity sir. Thank you.



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Moderator: Thank you so much. We now move to our next speaker member, Mr. Kamal Kishore Jhavar to ask his question. You may kindly unmute your audio and video and proceed with your question. Yes, sir, you may proceed. Mr. Kamal, you have unmuted your audio. You can proceed with your question please. You may please unmute your mic.

Kamal Kishore Jhavar: Thank you sir, thank you. Chairman sir, greetings to all the writers. We are having our second VC. Every year we have a video conference like this. It is very good. We can attend your meetings anywhere. Chairman, this is excellent sir.. Next time, managing director in show is an excellent position. I am very happy to meet you. And my DP number is 30051313472306 110,CDSL.

And another account is 30023911608345. NSDL. And sir, the graph you have made 5 years of your 5 years of hard work. And now, in 2023, I hope you will get your profit. I have full confidence in 2024. Like I have got my first quarter restaurant, I have got my good return. I hope that 2024 will be better than 2022. May your hard work be successful. I pray to God that your company is number one in India.

I have received a very good response from the Secretary Department. I received a balance sheet on the second day. The Secretary Department is a very very best man. I wish you a Happy Deepawali, Dussehra. I wish you a happy Rakhi, Onam. And the last question is very serious. This is a 30 years. In 2 years, I have come to know from the company that you give donation in CSR. What happened about that? I came to know in Hyderabad know that a person opened a trust for donation

When you give in the name of trust, it is correct. If it is passed in the name of trust in the bank, then it is correct. If it is in the name of trust, then it is correct. 3-4 members are doing such work. By mistake, they got the amount from the company. The entire file of the company to the company. Sir, a company person will tell us, give us such a donation, you also do something. You are giving so much crores in CSR, lakhs of rupees, help us.

Someone brings a file of a doctor, our bill of a doctor is such, we are very worried, give some money. This company, our MD, Senior CFO, they told us. Then we did not know anything. So you will be alert in this, sir. You do the work of CSR we didn't know anything. So you should be alert. You should work with your hands. If you work with your hands, you will get the money you have earned.

You and your entire employees will get good deeds. So you should be alert about this. If anyone comes to know about CSR, you should be alert. You should work with your hands. You will get the money and the work will be done. And our colleague Mr. Suresh Chand, please talk to him.

Suresh Chand Jain: Hello, my name is Suresh Chand Jain. I am the shareholder of this company. Your Chairman's speech was very simple, very good and very good. And in very simple words, what you explained, we liked it very much, Sir. And Sir, I want you to move forward by Sir, what Kamal



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Kishore has said about donation, he has thought about it in very few words. You can donate by yourself. . Thank you very much for your time.

Moderator: Thank you so much. We now move to our next speaker member, Mr. Goutam Nandy. Mr. Goutam Nandy had registered as a speaker shareholder, but currently has not joined the meeting. So we now move to our next speaker member, Mr. Abhishek Kalra to ask his question.

Abhishek Kalra: My name is Abhishek, shareholder of the company, my DPID is IN301637 and client ID is 41359155. So first of all I congratulate the management on the eve of 45th annual General Body Meeting. So trust all is well with you and your family in this challenging situation. Our company is in a much more restful and dependent.

After completing more than a decade of successful operations profitably, evident history and becoming one of the top that brand in our respective sectors. I would like to know how our business has been impacted in these past three years of this COVID time. The coronavirus and lockdowns have left virtually no industry untouched after the COVID. So as of date, how many employees are there in our company, sir?

I would like to know from you. One of the steps being taken by the management is to reduce the other expenses, later professional charges as the audit fee. Sir, then myself and my team are running a legal firm in the name and style of the well-known association, I would request you to put the funding at all our firm in the empanelment with the company and we will be glad to accept all the figures sir.

Nothing much to ask sir, I thank the company secretary and her entire team for setting up the link well in advance and taking this 1000-day warning, making 45,000-day warning a grand success. I would request the company to kindly consider the hospitality part of the investor-provider and try to consider physical AGM or hybrid AGMs in the years to come, sir, so that people can meet you physically and finally shareholders can join you virtually. Because of digital challenges in the virtual platform, most of the senior citizens are not able to join. Try to arrange hybrid AGM, I request from most of investor facility.

And this is fraction, which is being followed across Delhi and in Mumbai. Nothing much to ask. I wish the company and the Board of Directors, a great success and prosperity in the coming future. And thank you for giving the opportunity, sir. Hope to see you in the physical AGM next year. Thank you very much.

Moderator: Thank you so much. This was the last speaker online. Dear shareholders, we will now begin with the answer session. I now hand over the proceedings to Mr. Srinivas Sadu and Mr. Ravi Mitra. Over to you, sir.

Srinivas Sadu: Thank you all the shareholders. It is a comprehensive list of questions. I am going to address a few of those answers and Ravi will take over from there. The questions are on number of employees. We had 4,585 employees at the end of March. And the attrition was around 17%. During the year, new joinees were about 896 employees.



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On the B2C business, from 2% of our total revenue comes from B2C business, which is basically India business. And we are trying to increase that market share by adding more products and launching new molecules in the coming years.

On the B2B IP led the ANDA filings, our own filings are 159 as of today. And the partner filings are 68. There's also another basket where there's a tech transfer basket where we have 110 ANDAS filed in total 337. But for the B2B IP led, it's 159 own filing and partner filing 68.

The challenges around the supply chain last year what we faced, some are related to COVID because of the raw material issues across the globe. Many of those are kind of stabilized now and, but it is also we have done several mitigation plans. We have several key products, we worked out alternative materials, whether it could be APIs, whether it could be stoppers or syringes. And also, the various methods of supply chain in terms of tubing's and filters also.

The R&D budget for 2024 is 45% of our revenue and the capex plan is about INR300 crores.

In terms of technologies, yes, we have got into auto injectors and pen device and the competition landscape for prefilled syringes auto injectors is comparatively very low as against liquid, wires and live products. So we have a whole portfolio of products working on this technology as well.

Rightly said, there is a lot more emphasis on transdermal technologies. We are evaluating that as well. The number of scientists in our R&D Department are around 350. There are 12 PhDs, 250 of them are Masters and about 80 odd numbers are on the Bachelor side. We continuously invest into ANDAs because I think that's a bread and butter for us. It contributes about 7 to 8% on annual growth while the older products degrow because of the price pressure in the volumes. There's also need to have to launch new products, which products which go off patent, and also it contributes to the growth of the company. So we need to invest into ANDAs and that's part of the core strategy as well.

There's a request on factory visits, as and when I think it opens up, we'll evaluate and Sampath will reach out to you.

On the dependence on imports, about 30% of our products actually are internally sourced for most of the materials. And we are reducing the dependence on many of the other products as well, while some will continue to be dependent on the other countries, but the core products we are trying to make it internally.

The other relevant questions will be taken by Ravi.

Ravi Mitra:

Thank you. So, question on dividend, your Company is a growth company and we had allocated our resources and cash balance for organic and inorganic growth. Now, post our acquisition completion of Cenexi, which is strategic acquisition in Europe, we are evaluating the dividend and capital allocation policy.



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Another question was in ESOP. So the ESOP plan has completed last year and now we are working on a new plan. There was one question on digitization. Yes, we had implemented S/4HANA, the latest version in the last year. And there's a lot of focus on automation and digitization currently the company's focusing on.

The question on inventory, the increase in inventory is largely for Enoxaparin and Heparin which is due to stocking of the products and raw material in the previous year and there is a reduction in demand and some of our customers due to their inventory rationalization. However, we expect our inventory to now rationalize and become normal in the next few quarters. I think that is all the questions we have and we have answered them. Back to you, Sampath.

Sampath Kumar:

Thank you, Mr. Sadhu and Mr. Ravi Mitra for taking up the questions. So once the voting is completed, the scrutinizer will complete the result of both remote e-voting and e-voting at the AGM and will submit the final report to the Company within two working days from today.

The combined result will be placed on the website of the company and website of Linkintime. This result will also be submitted to the Stock Exchanges. On the basis of the report of the scrutinizer, the resolutions will be considered as approved or rejected. I can now request the Chairman to thank the shareholders and close the meeting. Mr. Chairman over to you.

Moderator:

Mr. Chairman sir, we are unable to hear you. Mr. Sampath, there seems to be a connectivity issue from Chairman's line.

Sampath Kumar:

Okay, Mr. Sadu will thank the shareholders and close the meeting. Thank you.

Srinivas Sadu:

Thank you, Chairman Stanley and Mr. Ravi Mitra for taking up all the questions and since there are no other matters and all the questions have been answered, we can conveniently close the meeting. In case some of the shareholders have not completed their voting, I request all of them to complete the voting as quickly as possible.

The voting window will remain open for the next half an hour. Mr. Ravi Kumar, the scrutinizer is requested to take over the proceedings from now onwards. And I am authorizing Mr. Sampath Kumar, this Company Secretary to countersign the scrutinizer's report and announce the voting results. Thank you all for attending this third AGM post-listing. Stay safe and be happy. Thank you.