



**“Gland Pharma Limited
46th Annual General Meeting”
August 30, 2024**



**MANAGEMENT: MR. SRINIVAS SADU – EXECUTIVE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER – GLAND PHARMA
LIMITED
MS. NAINA LAL KIDWAI – INDEPENDENT DIRECTOR –
GLAND PHARMA LIMITED
MR. UDO VETTER – INDEPENDENT DIRECTOR –
GLAND PHARMA LIMITED
MR. SATYANARAYANA MURTHY – INDEPENDENT
DIRECTOR – GLAND PHARMA LIMITED
MR. ESSAJI GOOLAM VAHANVATI – INDEPENDENT
DIRECTOR – GLAND PHARMA LIMITED
DR. JIA AI (ALLEN) ZHANG – NON-INDEPENDENT AND
NON-EXECUTIVE DIRECTOR – GLAND PHARMA
LIMITED
MR. RAVI MITRA – CHIEF FINANCIAL OFFICER –
GLAND PHARMA LIMITED
MR. SAMPATH KUMAR – COMPANY SECRETARY –
GLAND PHARMA LIMITED**



Moderator:

Dear shareholders, good morning and a warm welcome to you all to the 46th 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 a 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. Srinivas Sadu to initiate the proceedings. Thank you and over to you, sir.

Srinivas Sadu:

Thank you, Michelle. 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 46th Annual General Meeting of the company. This meeting is being held through video conferencing and other audiovisual 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 much 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 all the Board members to raise their hand as I call out the names. I am joining from the Gland Pharma Corporate Office. Our Independent Directors, Ms. Naina Lal Kidwai is joining from New Delhi, Mr. Udo Vetter from Germany, Mr. Satyanarayana Murthy from Boston, U.S., and Mr. Essaji Goolam Vahanvati from Mumbai are attending this meeting. Joining from Japan, we have Dr. Alan Zhang, the Non-Independent and Non-Executive Director. We also have with us Mr. Ravi Mitra, our 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 the 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. Over to you.

Sampath Kumar:

Thank you, Chairman. Good morning, dear members. This meeting is conducted through video conference as per the provisions of the Companies Act 2013 and various surplus issued by the Ministry of Corporate Affairs and SEBI.

The proceedings of this Annual General Meeting are also being webcast live and can be viewed using the details provided in the Notice of the Annual General Meeting. The Annual Report containing the Board's Report, the Auditor's Report, Financial Statements, and other reports,



along with the Notice of this meeting, have already been circulated to the members at their registered email 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 Financially Rendered 31st March 2024, I take liberty not to read the reports 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 LinkedIn Time platform. The remote e-voting commenced at 9 a.m. Indian Standard Time on Tuesday, August 27, 2024 and ended on Thursday, August 29, 2024 at 5 p.m. Indian Standard Time.

The voting rights were returned on the shares held by the members as on the cut-off date, that is, 23rd August 2024. 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 right 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 documents, 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. I now invite our Executive Chairman and CEO, Mr. Srinivas Sadu, to address the shareholders and to brief them on the operations and performance of the company.

Srinivas Sadu:

Hello and good morning, ladies and gentlemen. Thank you very much for taking the time out to attend the 46th AGM of your company. On behalf of the Board of Directors of Gland Pharma Limited, I welcome you all to this meeting. It is with great pleasure that I kick off this address by highlighting the remarkable success your company achieved in closing out the fiscal year 2023-24. This milestone is particularly noteworthy considering the various industry challenges we encountered that impacted our business on multiple fronts. We are proud of our ability to rebound from a challenging previous fiscal year, a testament to the solid foundation we have meticulously cultivated over time.

As we look ahead, we remain optimistic about the future and the abundant opportunities it presents. We have strategically designed our business model to capitalize on these opportunities, accelerating growth and expanding our capabilities. Now let's delve into a brief presentation that outlines the strategies we have embraced to ensure your company continues to seize opportunities while confidently upholding our unwavering commitment to sustainability.

I shall begin by giving a broad profile of your company. Gland Pharma has a firm global imprint with a presence in over 60 countries worldwide. We offer an extensive portfolio of injectable formulations across delivery systems.

We cover a wide range of therapeutic segments including sterile injectables, oncology and ophthalmic amongst others. We are also engaged in the development of complex molecules like



peptides, long-acting injectables, suspensions and hormonal products. We have seven world-class manufacturing sites in India and four in Europe, all of which are there to stringent global regulative standards in quality.

For our strategic products, we have backward integration with the manufacturing of APIs which enables effective control over sourcing, supply chains, cost efficiency and agility to meet evolving market demands. Our co-business revolves around a business-to-business and CDMO model for regulated and emerging markets globally, as well as a business-to-customer model tailored for the Indian market. I shall now briefly touch upon the key highlights of FY23-24.

As I look back at the year, I would say in retrospect that it gave us ample reason to cheer. Our overall financial performance reflected positive momentum with strategic measures poised for promising future growth. Overall, we obtained stable results in terms of both financial and operational performance.

One of the key highlights of the year was our strategic acquisition of Cenexi, a French contract development and manufacturing organisation with four world-class manufacturing facilities in Europe. Our consolidated business, financial performance, our revenue surged to INR56,647 million, up 56% over the previous fiscal year. This was enabled by consistent performance across markets, increased shipment volumes at stable prices, and the introduction of new products.

EBITDA grew to INR13,331 million, up 30% year-on-year, propelled by robust operational efficiencies. EBITDA margins stood at 24%, compared to 28% in the previous year. PAT stood at INR7,725 million, with a PAT margin of 14%.

Our strategic growth blueprint is anchored on enhancing profitability and margins.

During the year, our manufacturing sites operated smoothly, allowing us to produce top-quality injectables while maintaining strict compliance. We undergo around 40 audits in a year from regulators and partners, and we are confident in our ongoing commitment to upholding these high standards.

We are proactively preparing our business for the future, not just in terms of capabilities and capacity, but also by exploring strategic long-term investments. These investments aim to sharpen our competitive manufacturing edge and meet the growing demand for approved products. This involves upgrading existing lines with high-speed fill-finish lines and implementing automation to enhance efficiency.

In the current fiscal year, we have dedicated INR3,975 million towards capital expenditures. We invested INR1,774 million in innovative R&D, filed 19 ANDAs and obtained approval for 24. As of 31st March, 2024, we have submitted 349 ANDAs in the US. In collaboration with partners, 286 of them have been approved and 63 are pending approval. We currently hold 1,667 product registrations worldwide.

We are also developing 19 complex molecules, addressing a market of \$9 billion as per IQVIA. We have secured six approvals to date, with four of them, one being Eribulin, already making

their market debut. The next few years will see impressive market growth in our complex product portfolio, which is being fast-forwarded by acquisitions, co-development, and in-licensing agreements.

Lastly, biologics will be one of the key drivers for our future growth. We are securing regulatory approvals for our dedicated facility through existing business channels and potential near-term achievements.

Our base business financial performance. The revenue from operations was INR41,769 million, up over 15% from the previous year. This is excluding Cenexi. Our EBITDA margin at 38% was 4% higher than in the previous year, largely driven by the successful introduction of new products, new partnerships, relaunches, and sustained market leaderships in the existing products.

Our revenue from our co-markets, which are US, Europe, Canada, Australia, and New Zealand, it saw a 21% year-on-year growth, contributed 78% of our total revenue, and the US, our largest market, grew 24% year-on-year. We launched over 50 new molecules and relaunched over 30.

Our key products showed robust growth without too many price fluctuations. We are confident we can sustain our competitive edge in this market. In our co-market, other than the US, we have identified products from our US portfolio that are conducive to entry into these regions.

Our rest of the world market contributed 16% of our revenue, with encouraging growth for some products. A few recently launched ones promised good growth in the next two to three years. Our Indian market grew to contribute 6% to our revenue, with a focus remaining on key products for which we are seeking strategic options to enhance value creation.

Cenexi is currently going through a transitional phase, and we have initiated a comprehensive plan to address the recurring operational challenges through investments in asset upgrades, capacity rebalancing, and implementation of future-ready capabilities.

While all these issues had predictably caused a temporary negative financial performance during the year, Cenexi will soon emerge as a strong strategic pillar for us in the years ahead. Bringing complementary technical and operational capabilities with its specialty products and injectables that will open up a significant market for us in Europe and elsewhere.

The company has a good current clientele, with a solid order book of new programs in various stages of tech transfer. This will give us a medium-term incremental increase on our revenue base. We are working on a long-term business goal to identify opportunities to capitalize on the combined capabilities of Gland Pharma and Cenexi.

We shall maintain our growth momentum through a multi-pronged approach, expanding our presence globally with a strategic focus on the US, Europe, and the rest of the world markets. Advancing our portfolio through strategic in-licensing, complex development, co-development. Second one is fortifying our CDMO in biologics, in recognition of the sector's growing demand worldwide.



Integrating ESG considerations into our core business strategy. We are pleased to share the remarkable strides we have made in our environmental, social and governance initiatives. We firmly believe that our success is intertwined with the well-being of our communities and the planet we share.

In the realm of education, we have touched the lives of over 51,000 students through various programs, served 2.6 million nourishing breakfast meals to government school children, and invested significantly in upgrading school infrastructure. We believe that education is the cornerstone of a bright future, and we are committed to empowering the next generation.

On the health front, we have extended our care to over 1,790 students through a comprehensive health plan in government hostels. We recognize that good health is essential for a fulfilling life, and we are proud to contribute to the well-being of our youth. Our commitment to the environment is unwavering. We have significantly reduced our carbon footprint by transitioning to cleaner energy sources, resulting in a 32% reduction in furnace oil consumption and a 28% reduction in high-speed diesel usage.

By achieving 100% water recycling across our facilities, we have conserved a remarkable 1,69,747 kiloliters of water. We remain vigilant in managing hazardous waste and have allocated substantial resources to environmental initiatives. Furthermore, we have planted over 16,000 trees, contributing to a greener and more sustainable future.

Our support for tire conservation efforts underscores our dedication to preserving biodiversity. And right here in Pashamylaram, our solar panels now fulfill 80% of the energy needs of a corporate office and R&D center, showcasing our commitment to renewable energy. These achievements are a testament to the collective efforts of a dedicated team, our valued partners, and the communities we serve.

We understand that ESG is not just a responsibility, but an opportunity to create lasting value for all stakeholders. We are happy to inform you that the Board of Directors has recommended the company's first dividend post-listing of INR20 per equity share and has been put up for your approval.

The future beckons with us with promise, harnessing our core strengths, which include our differentiated business model, focus on operational efficiencies and innovation, and commitment to stringent quality and compliance. We shall navigate the challenges that lie ahead, sustain our growth, and continue to create good value for all our stakeholders. I'm truly grateful to the company's Board and management, whose helpful and timely professional guidance has been invaluable, especially during our turbulent phases.

Equally important have been our shareholders, communities, customers, vendors, and other stakeholders. I'm particularly proud of our dedicated employees, whose collective spirit and work ethic have been the mainstay of our company's progress and sustainability. Thank you, ladies and gentlemen. Thank you for your time.

I would like to hand over to Sampath to proceed with other meeting items.



Sampath Kumar:

Thank you, Chairman. Since this meeting is held through video conference and the resolutions provided in the notice have been put to vote through e-voting, there will be no proposing and seconding of the resolutions as we used to have in the fiscal meetings. I will now brief you on all 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 31st March 2024. The auditors have issued an unmodified report on the financial statements and has confirmed that the financial statements present a true and fair view of the state of affairs of the company.

Together with the report of the Board of Directors and auditors thereon and have been proposed as ordinary resolutions, the Board has recommended these financial statements for adoption by the members. Item Number three of the notice has been proposed as an ordinary resolution for the declaration of dividend. The Board has recommended a final dividend of INR20 per equity share for the financial year ended 31st March 2024.

Upon approval by the members, the company shall pay the dividend at the earliest, but not later than 30 days from today. Item Number four of the notice has been proposed as an ordinary resolution for the appointment 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.

Except Mr. Srinivas Sadu none of the Directors and key managerial persons of the company and their relatives is concerned or interested in this resolution. Item Number five of the notice pertains to not to appoint any Director in place of Mr. Yao Fang in this meeting and has been proposed as an ordinary resolution. Considering the statutory provisions, the Board has recommended to pass this resolution.

Item Number 6 of the notice pertains to the continuation of Mr. Chen Qiyu as a Non-Executive, Non-Independent Director not liable to retire by rotation. As Mr. Chen Qiyu yet to receive the security clearance from the Ministry of Home Affairs for continuation as a Director, this item was not taken up for voting. Mr. Chen Qiyu would cease to be a Director of the company effective today.

Item Number seven of the notice has been proposed as an ordinary resolution for the appointment of Mr. Wenjie Zhang as a Director liable to retire by rotation. Considering his experience in the pharmaceutical industry and based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the appointment of Mr. Wenjie Zhang as a Non-Executive, Non-Independent Director liable to retire by rotation.

Except Mr. Wenjie Zhang none of the Directors and key managerial persons of the company and their relatives is concerned or interested in this resolution. These are the items which have been proposed in the notice of the Annual General Meeting for the approval of the shareholders. We

will now invite the members who have registered themselves to ask any question to the management.

We have received 12 requests from the members to speak at today's meeting. 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 question may do so by posting questions in the chat box available on the screen. We will respond to 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 these speaker members 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. This will ensure that other members get an opportunity to speak in this AGM. I now request the moderator to please invite the members one by one.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question and answer session and we'll take the questions one by one. Members may note that in order to avoid repetition, all questions will be answered after all the registered speaker members have spoken. We request everyone to remain connected while we bring speaker shareholders online. I now invite our first speaker shareholder, Mr. Miriyala Niranjan to kindly accept the prompt on his screen, unmute his audio and video, and proceed with his question.

Miriyala Niranjan: Hello.

Moderator: I now invite our first speaker shareholder, Mr. Miriyala Niranjan to kindly accept the prompt and proceed with his question.

Miriyala Niranjan: So, good morning, everyone. This is Niranjan speaking. Hope you are listening to me.

Srinivas Sadu: Yes, pretty clear. Go ahead.

Miriyala Niranjan: So, thanks for giving this opportunity. Being a four years old shareholder, I would not take more than three minutes as being given by the Company Secretary. First thing is, I would like to thank Ms. Naina Lal Kidwai for having good compliance and regulatory complaint and no issues in compliance or regulatory issues. Only thing is the performance is deteriorated. The Gland Pharma came for public issue in the year November 2020.

Then Fosun took INR5,229 crores and collected 1,250 from public. And March 2020, the sales was 2,633 and profit was INR772 crores. It's a consolidated, I'm talking. Even after four years, our sales have increased to 2,633 to 5,664, but net profit is as standalone, that was only no growth in the net profit. The same 772 reported in 2020. The same reported even 2024. So, where is the question of measurement of performance? Who is responsible for this?

There is no measurement of performance. And the same Mr. Srinivas also became Director on 25th April 2019. Even today, he's going to be a continuing Director and again, he's going to be nominated. But the sales has increased, whereas net profit margin deteriorated from 30% to 14%. Even though they have a number of eggs, no hatching. And after bought Cenexi with INR1,000

crores. See, this is the first question. The second question is there is a company performed as per Warren buffet's USD1 test.

See, you are not giving, declaring dividend. Okay, fine, but the test evaluates how effectively a company uses its retained earnings to create value for shareholders. For the three, four years, you have not declared dividend, but okay, it's fine.

Moderator: I am sorry sir. We are not able to hear you right now. Mr. Miriyala Niranjan you're not audible, sir. Yes, sir.

Miriyala Niranjan: Yeah, now it's okay?

Moderator: Yes, sir. This is fine.

Miriyala Niranjan: I'm talking about the Warren Buffett's USD1 test. The test evaluates how efficiently the company uses its retained earnings to create value for shareholders. The last four years, there's no declared dividend, but you are using the same resources for the company, but company is also not doing anything. So I would like to have some person who is going to be responsible for this and you must do something for that person or two, three persons or five persons, but you have to take, you have to measure the performance and give some penalty or whatever it is for the responsible person.

The company, and the second thing is, yes I requested one cup of coffee in Fosun Singapore office. They denied and asked me to contact Shanghai office. I contacted, but no reply till now from Shanghai office. I felt proud that our company promoters are cost-conscious, hence not inviting me to Shanghai to have a cup of coffee, but they invested INR5,000 crores in some October 2017. They acquired from other company, Mr. Raju. And today also, they are not making any money and I don't know whether their performance is good or not. They must be knowing, but there is no answer for my request. That's all. These are two of my queries.

Moderator: Thank you. I now invite our next speaker, shareholder. Mr. Arunkumar Boppana, please accept the prompt, unmute your audio and video and proceed with your question, sir.

Arunkumar Boppana: Good morning. Compliment the revenue sir it's 56% in the previous fiscal year and for trying to see the opportunities across diverse geographies and for the pride and presence in key markets offering unique portfolio injectables. The question is, the global injectable industry has emerged as the second largest drug delivery system. But any plans for transdermal drug delivery system, that is a novel now. And very few are there in the world, only about 10 or 11 people. That is one.

And what were the challenges for non-availability and long lead times for several raw materials, the supply chain disruptions, etc? And what are the precautions for plan? What is the R&D budget in 2023-24 to stay ahead of the curve?

Growth strategy with organic and inorganic initiatives. I would like to connect you to a gentleman in USA who has 400 patents for whatever is worth it. Next month, I will be in Hyderabad and would like to meet you at your corporate office to discuss this personally. I hope Sampath will get in touch with me.

And how is the competitive landscape locally with global players and pre-filled syringes? You must enhance margins and profitability as a long-term goal.

And I'd like to meet in person to discuss about transdermal therapy and the 400-patent lying with an American based, the company based in Bangalore. With this, I wish you all the best with consistency, credibility, and commitment.

Moderator: Thank you. I now invite our next speaker shareholder, Mr. Praful Kumar Chavda. Please accept the prompt on your screen, unmute your audio video and proceed with your question, sir.

Praful Chavda: Thank you. Chairman sir, Board of Directors, Chairman sir has mentioned many things in the speech and how much he has progressed in this one year and you can tell from the rate of the share in the share market. So to the board of directors, employees, distributors, whoever is working in the company today, I wish everyone very well that we have earned a good return in one year.

Sir, the AGM report is very good. The company Secretary Department has done a good job. The yellow color given on the first page looks attractive. I want to thank the Secretary Department for making a good AGM report and making it informative.

Sir, how many CA's and MBA's are in the company? How many scientists are there in the research and development center? And how much investment have you made? And are new products going to come or not. There is good work going on in CSR. In school consider teaching Sanskrit, give technical knowledge and also teach nursing so that children can move forward.

Nowadays if there is an accident, people start making videos. But people do not know how to save a person in an accident. If there is such knowledge in general knowledge, we can try to save the person. That should be considered including in school education. On page number 4 and 5, the report card.

Usually, a report card is given to children in school. But here the company secretary department, have given complete information in two pages. I want to thank the company secretary for the information that is provided. And on page number 8, there is also an update on the year of the employees. 4200 employees are working. I am very happy with the company and support the whole region. I wish you best wishes for the upcoming festival

Moderator: I now invite our next speaker shareholder, Mr. Yusuf Yunus Rangwala. Please accept the prompt, unmute yourself and proceed with your question, sir.

Yusuf Yunus Rangwala: Chairman sir. Sir, I am Yusuf Yunus Rangwala from Mumbai. Sir, your registered office is in Hyderabad but we can talk to you from Mumbai. I want to thank Sandeep sir. We are the largest pharmaceutical company. What is our world ranking? Sir, what is the total number of staff, how many of them are ladies and how many are gentlemen?

Point number 2. Sir, your dividend is INR20, that is very good. Sir we are having around three four factories. Can you arrange a factory visit so that we can come to know how our products



are going on? Point number three. Sir can you send some memorandum so that we can be a part of the decision. After the listing this is the first public issue sir.

Sir can you can you keep a small get together for our shareholders from Mumbai sir. Can you call us to Hyderabad so that we can meet you sir, this is my humble request. Nothing more to it. I end my speech and our Gland Pharma's support is very important sir. Today how many ever people are our agents, their team is happy and the whole team is thankful sir. They are very excellent services sir. Thank you very much.

Moderator: Thank you. Our next speaker shareholder, Mr. Prabhojit Singh Sahni had pre-registered however, has not joined the meeting. We will move on to our next speaker shareholder, Mr. Srikanth Jhavar. Please accept the prompt, unmute your audio and video and proceed with your questions, sir.

Prabhojit Singh Sahni: Respected Chairman, all the board of directors, good morning. After the IPO, we are having a fourth time video conference meeting and we should continue having our video conference meeting. Because today the director of this company, some are attending from international locations, some in India, therefore we should have a video conference meeting. In your chairman speech, you have explained everything therefore I don't have anything more to ask. The shareholder asked about Hyderabad a question about R&D, I had the same question. So, tell us a little more about R&D. I want to thank our secretarial department for sending us the balance sheet in time. Also, best wishes for the upcoming Dussehra and Deepawali. Please continue to have such video conferences, thank you.

Moderator: I now invite our next speaker shareholder, Mr. Vinay Vishnu Bhide. Please accept the prompt, unmute your audio and video and proceed with your questions, sir.

Vinay Vishnu Bhide: Executive Chairman and CEO, Mr. Srinivas Sadu, representatives from Fosun, Ms. Naina Lal Kidwai, other directors present on call, Company Secretary, fellow shareholders, my name is Vinay Bhide and I'm speaking from Mumbai. At the outset, let me congratulate the team of Gland Pharma for having performed very well concluded in the financial year. The details you have presented very well in the form of an annual report, as well as explained at the start of this meeting.

Now, having followed some of these details, I have a few questions to understand the present and the future better. And the questions are as follows. The first question is that I see from the presentation that Europe gave a very good traction. And the revenue has jumped in a multi-fold in the controlled financial year, something around 400% plus. So, can you give the reasons for this excellent performance and whether we'll be able to sustain the run rate in the current financial year also?

Second, from the revenue-giving geographies, it appears that USA and India are the two other revenue-giving geographies for us. Can you tell us the outlook for these geographies in the current financial year and the years to come? The third question is on the Cenexi acquisition. I've heard you carefully on the Cenexi acquisition. Can you please tell us as to what the Cenexi

acquisition will do to both Cenexi as well as to our Company in terms of the operations, the products, as well as the financials in the times to come?

In the sense that if Cenexi has certain, let us say, spare capacity available, can we use some of them to manufacture all products in their manufacturing units? And I have got one, these are the questions on the operations part. I've got one simple question on the, or rather observation, on the Investor Relations. The company has done a very good job in terms of appointing an agency for coordinating this particular video conferencing.

They have done a good job in terms of testing and having us join in this particular call. However, I had also requested both orally as well as on mail to provide a speaker sequence number. That has not been provided. So please appreciate that today I can understand that our company is struggling to find its feet. Investors you see today, with more and more companies coming on listing, investors are spoiled for choices. And this is the season of AGM.

If investors have made a request for a speaker sequence number, we have to give them that. And this is followed by all professional companies. So, this is the only part which needs to be taken care of. Otherwise, I think we have a great future. I think we are doing a great job. And I support all the resolutions. And thank you for giving us this. Thank you sir.

Moderator:

Thank you. I now invite our next speaker shareholder, Mr. Kamal Kishore Jhawar. Please accept the prompt. Unmute your audio video and proceed with your questions.

Kamal Kishore Jhawar:

Okay, thank you sir. Chairman sir, all the best to you. My greetings, Kamal Kishore from Hyderabad. Sir, I am a shareholder in this company because of IPO. And the company is very good. Your every quarter has a very good response. And now the President told the full details. So I liked it very much, CMD. And the service of the Secretary's department is very good, Sir. Whenever we get some work benefit, we give the same day answer. So very very good service sir. And as much as our Secretary department praises, the staff also praises. Sir, I wish the Dasara and Deepawali.

Keep doing the same kind of video work sir. Today I am in another place sir. Today I am in another place, sir. I can attend any place, any meeting anywhere. Like your dad is abroad, whatever it is. You get sessions from abroad. So every year is there. Video coverage is the best. And I don't want to say much, sir. In 2024-2025, how much can your revenue be? The rest is the best, sir. Quarter to quarter improvement is happening. And your employees and the hard work you are doing, we congratulate you. Thank you, sir. My fellow friend Mr. Suresh Chand ji is with us, having some issue with his line.

Suresh Chand Jain:

Respected Chairman, Board of Directors, and my online fellow shareholder, myself, Suresh Chand Jain. Due to technical issue, I am calling via Kamal phone. I am thankful for the success of the company. Thank you for the details of the Company provided. Nothing to ask and tell, even some problem arise, on phone itself the problem is get solved. We are able to join and the get the speech and company information through video conference. All the very best for the Company. Kamal Kishor will tell something sir.



Kamal Kishore Jhawar: Sir, lastly I saw your balance sheet All A to Z, detail to detail sir. It is such a good detail. We don't need to question anything Your balance sheet is also very wonderful sir Thank you sir

Moderator: I now invite our next speaker shareholder, Mr. Goutam Nandy. Please accept the prompt. Unmute your audio and video and proceed with your questions, sir.

Goutam Nandy: Very good morning and namaskar, respected Chairman, Board of Directors, and my online fellow shareholder, myself, Goutam Nandy from Kolkata, very old equity shareholder of your Company. Sir, firstly, I'd like to give thanks to your Secretarial department for sending me Annual Report along with Notice and necessary joining link through email early in advance. I also received the hard copy of your annual report, which exists 300 pages. Fantastic. It is very informative and very colorful and very informative.

So thanks again to your Secretarial department, especially our respected secretary and his whole team. Sir, you are organizing your Annual General meeting through video conference, and I find it is a grand success. Sir, Chairman, sir, you have also expressed in your beautiful speech, which was very, very informative, amazing, and very, very encouraging. Thank you very much, sir. Sir, I find excellent performance in every segment in this challenging year. You are also giving dividend, which is very good, and I'm very happy to receive it.

Sir, I'd like to know, what is the direct and indirect impact on our company after the implementation of union budget 2024-25? Sir, what is the roadmap of our company for the next three to four years, especially related to the growth of our company? Sir, at present, how many employees do you have, both permanent and non-permanent? Sir, in your pharma sector, there is a huge competition. Please tell me, how are you able to manage this job? Sir, are you adopting the latest AI technology in our company for further modernization?

Please answer, sir. Sir, are you going to acquire any new brand in the near future? Sir, henceforth, please continue this VC meeting, as we may be able to join from anywhere, sir. Sir, please continue, sir. Sir, one request. Please do something, at least for our speaker shareholders. Sir, this is nothing but a token of love. Please consider, sir. Sir, one thing more.

Please send the speaker serial number with your link, which you are sending to our speaker shareholders. This is very needful for us, sir. So please send it. Sir, I am very happy and also very proud to be a shareholder of your company. I have full trust with our strong management like you. And so, along with my family, wholeheartedly support your all resolution, which we have already casted to our e-voting.

We are looking forward with a positive outlook towards our company with higher profit margin and some dividend, if possible bonus and return. May God bless you, sir. Stay safe, stay healthy. Thank you, sir. Signing off, Goutam Nandy from Kolkata. Namaskar, sir.

Moderator: Thank you. I now invite our next speaker shareholder, Mr. Abhishek J. Please accept the prompt. Unmute your audio video and proceed with your question, sir. Mr. Abhishek J, please accept the prompt on your screen, sir. Sir, may I request you to proceed with your question? Mr. Abhishek J as the current participant is not answering, we will move on to our next speaker shareholder,

Mr. Reddeppa Gundluru. Please accept the prompt on your screen, unmute your audio video, and proceed with your question, sir.

Reddeppa Gundluru:

Thank you for giving me the opportunity. My chairman, Mr. Srinivas Sadu, all non-executive directors and my company secretaries, Sampath Kumar, auditors, coordinators and my fellow shareholders of this Gland Pharma Annual General Meeting. Namaste, sir. Good morning.

My name is Reddeppa Gundluru from Hyderabad. As a shareholder of my company, I am very, very happy for a wonderful wealth creation. Sir, as I requested for a physical annual report, I have not received. Please send me after the AGM. No issues. Sir, I have gone through the annual report. It is wonderful. The numbers, figures, pictures are there.

So, I am very happy about that. Sir, thank you for making dividends. A huge dividend has been given. I asked requested for last year, couple of years. This year, you have given wonderful dividends, sir. We are very happy and congratulations to you all. And also, we would like to congrats for the company is debt-free. Wonderful, sir. Keep it up. Strong financial, tremendous performance and also tremendous CSR, tremendous the quality governance. Everything is wonderful going on.

Keep it up. We would like to thank and appreciate Mr. Gandhi, company secretary, CEO, for wonderfully maintaining the quality annual report, quality governance, everything. And also, here my question is, sir, what is your plans for ROE improvement?

As of now, there is a little bit more negative on ROE in the three years, two to four years. So, I would like to know what is the plan to increase the ROE equity plan. And our second question is, I would like to know for you to give a vision going for two to five years, any plans, any expansions, any new innovation parts going to the R&D. So, I would like to know, sir. Third question is, shareholding pattern the 6.03% is reduced. Just give me information, please.

You can understand, but please throw some light in this shareholding pattern decrease. Nothing more to ask, sir. You have given wonderful speech. You have given a lot of information. As for all the resolution, everything has been done. But I have not received any call from the company secretary department. Everybody appreciates, but I have not received anything. Annual report not received. Company secretary calls not received.

I don't know. Please improve the investigation chart with me. So, thank you for a wonderful, smooth VC for company secretary. I would like to thank, once again the company chairman, board of directors for a wonderful performance. I wish all the best for the financial engineers. We have faith on you, trust on you. Go ahead and take a proper decision. My company grows, sir. I wish good health to you, happiness to you. God bless you, sir. Thank you.

Moderator:

Thank you. I now invite our next speaker shareholder, Mr. Abhishek J, who couldn't speak to kindly accept the prompt on his screen, unmute his audio video and proceed with his question. As there is still no response, ladies and gentlemen, that was the last question. I now hand over the proceedings to the directors. Over to you, sir.



Sampath Kumar:

As we did not receive any messages in the chat box, we will now take a break of 10 minutes and we will get back to you. Please stay tuned. Thank you.

Srinivas Sadu:

Hi, good afternoon. We're trying to address the questions as per the subject not in the order of questions what we received but should cover most of the queries raised by the shareholders. And if there are any left post this call, we can always send through emails if we have missed anything. There was questions around employees.

The permanent employees are 4,217, out of which 545 are women employees. And the contract workmen are around 4,000 employees. Investments in R&D last year, it was about INR178 crores. Normally, the R&D percentage is around 4% to 5% of the revenue. And that should be in the same scale this year and moving forward as well. The investments what we made in R&D are more and more getting into complex injectable site.

I would say 50%, 60% on complex injectable site, where it includes peptides, long acting injectables and also probably GLP range of products. We're also working with development companies as a co-development model, where we don't have in-house capabilities. On the Cenexi side, the Cenexi acquisition was a more strategic thing.

While we understand the profitability of this asset, there's also a requirement as a company to de-risk our business, which is mostly focused in the US. So adding a European business was imperative. And it's a 100% CDMO business, where we want to strengthen our presence in the global market.

While currently it's going through a profitability issue with the strengths what we have in both manufacturing and efficiencies, we have established teams there who are working on improving those. And we are clearly mentioned in our earnings calls as well. We are recovering from the earlier hiccups and you'll see next few quarters an improvement in that area. From strategic side, Cenexi will act as a gateway for Indian gland products as well, to get into European market. As you know, we need to have a local release in those markets. It also helps to hold our registrations in the future.

And it also has additional capabilities, what gland do not have, it also adds on. But the first priority to invest into equipment, make it more efficient and increase the profitability, while working on transferring some of the products from India and try to reach European markets from the portfolio what we have in other markets. The revenues from the day we got listed in 2020, if you see a standalone other than Cenexi, we were INR2,633 crores during the listing time.

And with a profit of INR770 crores. Today on a standalone basis, excluding Cenexi, we are about INR4,100 crores and the PAT of INR1,043 crores. So on a standalone basis, we have grown because the Cenexi, the PAT has been a constant, I would say but that will improve in the next few quarters, because it also helped us to increase our revenue to an additional INR2,000 crores.

But the profitability, there are steps taken to increase the profitability on that side as well. On the dividend aspect, last first few years, we have not declared dividend, because we wanted to

use the earnings to invest into acquisitions, which we have done in SENSEX, and also looked at investing into more complex injectables.

And now that we are a little comfortable, we have declared a dividend this year, and probably continue to do it in next few years as well. From improving the profitability aspect, we are working on automation of packaging and manufacturing lines to make it more efficient and make it more profitable. From the portfolio side, as I said, we are working on high-end injectables, more complex ones which have higher value compared to the generics what we're doing today.

We have already shared, we have filed several complex injectables, six have got approved, a few have launched already. And this will improve the profitability of the portfolio. And from the roadmap perspective, next few years, we have several growth levers we're looking at. Of course, geographic expansion, Europe was the first one.

And we have to enter more markets. Currently, our presence is in 60 markets. There's also a lot of opportunities in terms of growing the markets where we already have a presence. From complex injectables, there are almost \$9 billion to \$10 billion worth of complex injectables where we are working on today.

And once this gets commercialized, this also includes profitability as well. From growth perspective, CDMO on the biologic side is a key growth driver in the years to come. As you're aware, that's a business that's growing in India, especially after the Biosecurity Act of the U.S. So we are going to invest into that space and working towards increasing the business in that area as well.

And of course, the capability enhancement in terms of the formats what we're working on. We are adding capabilities around bags, double chamber bags. And it also is unique in terms of the competition what we have in this space. Not many supply challenges from the materials what we procure.

There are few on and off, but it should not have a substantial impact on the current business. From the secretarial side, we do acknowledge the comments on the speaker sequence number, and we'll make sure that that will be provided in the future. And the Annual Reports got dispatched last week, and the shareholder should be receiving, however, have not received yet.

I think on the trans-channel patches, yes, we are evaluating that, although we do not have capabilities on that aspect today. We are evaluating that area, and if found liquidity, which is growing, that business is growing, we would like to purchase that direction as well. And on the ROE improvement, the initiatives what we're taking on the portfolio side, from the expansion side, the efficiency side, and using AI tools to improve automation on the equipment, that should help the ROE also.

I think I should -- I think we have covered most of the queries raised and any queries, which are left, we always show through emails. So with that, Sampath, I will hand over back to you. I believe we have addressed all the queries of the shareholders. Thank you.



Sampath Kumar:

Thank you, Mr. Sadu and Mr. Ravi Mitra, for taking up the questions. There are no more questions, as almost all the questions have been answered. Once the voting is completed, the scrutinizer will compile 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 LinkedIn time. The result will also be submitted to the stock exchangers. On the basis of the report of the scrutinizer, the resolutions will be considered as approved or rejected. I may now request the Chairman to thank the shareholders and close the meeting. Mr. Chairman, over to you.

Srinivas Sadu:

Thank you, Sampath. I would like to thank all the members for attending the AGM today, 30th of August, 2024. I would like to conclude this AGM and the proceedings of the AGM has now been declared completed. As I mentioned earlier, the remote e-voting facility is still available to members for the next half an hour. Members who have not yet voted can proceed to vote by clicking the voting icon visible on the screen.

Ms. Soumya, the scrutinizer, is requested to take over the proceedings from now onwards. And I am authorizing Mr. Sampath Kumar, the Company Secretary, to receive and countersign the scrutinizer's report and announce the voting results. The resolution set forth in the notice shall be deemed to be passed today, subject to receipt of the requisite number of votes. Thank you all for attending this fourth AGM post-listing. Stay safe. Thank you.