



“Gland Pharma Limited 43rd Annual General Meeting”

August 26, 2021



MANAGEMENT:

MR. SRINIVAS SADU – MANAGING DIRECTOR & CEO
MR. RAVI MITRA – CFO
MR. SAMPATH KUMAR - COMPANY SECRETARY

BOARD OF DIRECTORS:

MR. STANLEY Y LAU – CHAIRMAN AND INDEPENDENT DIRECTOR
MR. CHEN QIYU – NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR, ,
MR. YIFANG WU – NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR,
MR. DONGMING LI – NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR,
MS. XIAOHUI GUAN – NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR,
DR. JIA AI(ALLEN) ZHANG – NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR,
MR. UDO J. VETTER – INDEPENDENT DIRECTOR



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MS. NAINA LAL KIDWAI – INDEPENDENT DIRECTOR
**MR. ESSAJI GOOLAM VAHANVATI – INDEPENDENT
DIRECTOR**
**MR. SATYANARAYANA MURTHY – INDEPENDENT
DIRECTOR**

Disclaimer: This is a transcript of the proceedings of the Annual General Meeting of Gland Pharma Limited held on 26th August, 2021 at 11 am. While we have made our best attempt to prepare a verbatim transcript of the proceedings of the meeting, however, addresses made in Hindi or any other regional languages have been appropriately translated in English and may not be a word to word reproduction.



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Moderator:

Dear Shareholders, good morning, and a warm welcome to you all to the 43rd 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 thousand shareholders on first-cum-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 requirement 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:

Thank you, good morning ladies and gentlemen. On behalf of the board of directors of the Gland Pharma Limited, I cordially invite each one of you present here at the 43rd Annual General Meeting of the Company. This meeting is being held through video conferencing and other audio-visual mode as we continue to follow health and safety restrictions with regard to holding physical meetings. We comply with the regulatory requirements of the 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 your names.

Mr. Srinivas Sadu – our Managing Director & CEO is joining us from the Gland Pharma corporate office. From the Fosun Pharma, Shanghai we have Mr. Chen Qiyu, Mr. Wu Yifang, Mr. Li Dongming, Ms. Xiaohui Guan, and Dr. Allen Zhang, they are the Non-independent and Non-Executive Directors. Our independent directors are Mr. Udo Vetter from Germany, Ms. Naina Lal Kidwai from Delhi, Mr. Essaji Goolam Vahanvati from Mumbai and Mr. Satyanarayana Murthy from Hyderabad are attending the meeting too. We do not have any absentee from the board of directors for this meeting. 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 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.

Sampath Kumar:

Thank you, Chairman. Good morning dear members. This meeting is conducted through video conferencing and webcast as per the provisions of the Companies Act 2013 and various circulars



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issued by the Ministry of Corporate Affairs 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 IDs. I hope you all have received a copy of the same. With your permission, I take the annual report as read. Since there are no qualifications, observations, comments or remarks in the statutory auditor's report and the secretarial auditor's report for the year-ended 31st March 2021, I take liberty to not to read the report in the interest of time. In order to enable the shareholders to vote on the resolutions, we have provided e-voting facility through NSDL platform. The voting commenced at 9 a.m. Indian Standard Time on Monday, August 23rd, 2021 and ended on August 25th, 2021 at 5 p.m. The voting rights were reckoned on the shares held as on the cut-off date, i.e., August 19, 2021. 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 Question & Answers 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 these documents, 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, Mr. Kumar. Ladies and gentlemen, I would once again like to welcome you to the 43rd Annual General Meeting of your Company.

Let me take you through the changes in the Board since the last AGM:

- 1) Mr. Moheb Ali ceased to be a Director with effect from October 8th, 2020 due to his unfortunate and untimely demise.
- 2) Mr. Peng Yiran resigned as Director with effect from October 10th, 2020 consequent to his decision to pursue better opportunities outside Fosun Pharma. He confirmed that there were no other material reasons for his resignation.
- 3) Mr. Essaji Goolam Vahanvati has been appointed as an Additional Director and designated as Independent Director by the Board of Directors on September 30th, 2020.
- 4) Ms. Naina Lal Kidwai has been appointed as an Additional Director and designated as Independent Director by the Board of Directors on May 17th, 2021.
- 5) Dr. Allen Zhang has been appointed as an Additional Director by the Board of Directors on May 17th, 2021.

On behalf of us all, I would like to place on record our deep appreciation for the contribution made by Mr. Moheb Ali and Mr. Peng Yiran to your Company.



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I am proud that as a company, Gland Pharma, continues to move forward stronger than before on its philosophy of providing access to affordable medicines with utmost quality standards despite the challenges faced by the pandemic. The Annual Report which is already circulated to you, explains how as a Company we adapted to the changing market demand to meet the patient needs globally. These were tough times for the society, many families were impacted, but all our employees showed immense resolve to work strenuous hours to meet the demand of medicines. Your Company successfully delivered on different business KPI along with a strong financial growth. Your Company also took up social causes to make a difference to the society at large by donating critical medical equipment like ventilators and PPE kits, providing meals to children at schools, distributing grocery kits in our neighborhood among others.

The last year was unprecedented in many ways, most of the economies around the globe contracted, with the global economy contracting by 3.4% in 2020. Government measures to prevent spread of Covid-19 infections including lockdowns which contracted the GDP by over 23.9% in the first quarter of financial year 2021. Among the developed economies, Europe and UK have taken the major hit with large part of the economies has to be closed again in the end of 2020 due to rising cases. Accordingly in the US, which is also our key market, economic activities got a boost due to strong fiscal measures taken to tackle the meltdown. The Indian government and RBI has offered substantial support in the form of fiscal and monetary support which has helped the rapid recovery of the Indian economy – including the world's largest food subsidy programme targeting 80.96 crore beneficiaries. The vaccination drive across the nation has further driven the V-shaped economic recovery we have seen over the last two quarters.

The global Pharma market has grown at a CAGR of approximately 3.2% over the last five years to reach USD 1,132 billion in 2021. At present the developed markets of North America and Europe dominate the pharmaceutical market with over 70% of the market value. With growth picking up at a faster pace in markets like China and India, the market share of these countries is expected to steadily increase.

We are a pure-play injectables company. Currently, injectables are the second largest form of drug delivery systems and account for over 41% of the global market share. North America, the biggest market has been capturing more market share as the usage increases in the region. While Japan, Russia, Korea, Australia and Saudi Arabia are some of the other key markets contributing to more than two-third of overall Rest of the World injectables market. While within the injectable market, generics-injectable valued at ~\$133 billion captures only 30% of the overall injectable market share in terms of value, in term of volume the same is ~83%. Generic Injectable penetration has mostly increased across the geographies during the last few years both in terms of volume and value.

Indian manufactures account for nearly one-third of the market by volume in USA, with their share growing, driven by quality manufacturing capacity and competitive pricing. India's cost of production due to lower competitive land rates, skilled labour and low utility costs is about



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30-40% lower than that of the United States. India has the highest number of USFDA-approved manufacturing facilities outside the United States.

Quality requirements for injectables drugs are comparatively more stringent due to its inherent nature of application. In the last few years, regulatory scrutiny has increased with the multiple USFDA audits and other regulatory audits being conducted at the regular intervals. It has hence been our focus to drive strict quality compliance and invest in technology to be ahead of the curve.

Your Company adheres to all environmental laws, regulations and industry standards. Our responsibility towards people and the natural environment always lay more emphasis than our business endeavours. We remain committed to make positive impact to the lives of all our stakeholders.

Your Company has continued to grow in sales and operational profitability, weathering the COVID-19 pandemic. Your Company is taking necessary steps to remain agile and competitive to minimize any negative impact on the business in these unprecedented times. The management team has rich experience in steering businesses responsibly, and they have done a great job thus far. I am confident they will continue to deliver strong results going forward as well. At the same time the team is making every effort to understand and be prepared for any risks that the current situation may present to the business. Your Board will continue to review the progress and provide strategic support and guidance to the team. I would like to hand over to Mr. Srinivas Sadu, MD & CEO, to give you a brief overview of the business and outlook.

Srinivas Sadu:

Thank you Stanley. Good morning to all the attendees. I would once again like to welcome you to the 43rd Annual General Meeting of your Company. This is our first AGM after being listed on stock exchanges and we are having it virtually on account of the safety protocols. Nevertheless, I am very glad to meet all of you today.

Slide #1- Introduction

I would like to share my thoughts on the performance of the business in the year gone by and our broad vision for the future.

Slide #2- Mitigating Business Risk of COVID-19 Pandemic

We always believed, for any business to be successful in the long run, it has to be resilient to many external and internal factors. There was no better way to show case than the way your Company has battled the COVID-19 pandemic. The Pandemic was disruptive in many ways and your Company stood prepared to deliver growth while assessing and mitigating business risks during the last 18 months. Our ability to maintain uninterrupted operations was the key business performance indicator in these challenging times while ensuring employee safety which was very critical.



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Disruption was multi-fold: Seeking deliveries with minimal turnaround times, complete change of product mix, in addition to people management and supply chain issues. As a team we ensured efficient production planning, optimal resource allocation through regulatory efforts, accelerated replenishment and logistic preparedness resulting not only in timely deliveries but great customer satisfaction. In all this, sticking to our philosophy, all efforts were focused towards saving patients' lives.

We tried to ensure our production was planned in a way such that we are able to address such critical drug requirements across markets. Your Company ramped up production of critical drugs like Remdesivir, Enoxaparin, Heparin and many more hospital-based products which cater to the patient needs.

Slide #3- Our CSR initiatives

While managing to supply critical care products without disruption, Your Company was also involved in many social welfare initiatives. It made contributions to address the medical infrastructure shortage in the hospitals as well as distributed essential groceries and meals to support the people in need. Your Company also launched free breakfast programme to ~ 9,100 children of 66 government run schools.

Slide #4- FY21 Business Performance

Coming to our FY21 performance, your Company delivered a strong business growth across markets. Our FY21 revenue stood at INR 34,629 Mn, a growth of 32% over the last year. We recorded a PAT of INR 9,970 Mn, a growth of 29% over the last year. The resilience of our business model coupled with a focused execution of business plans helped us deliver this performance. In spite of challenges on the availability of manpower, employees rose to the situation and went that extra mile to show their commitment to the Company's cause. I would like to thank all our employees for putting in strenuous hours during these tough times.

We continue to grow in all our markets globally. Our core markets which include North America, Europe and Australia, have remained strong. Our Rest of the world business grew rapidly at 136% y-o-y, accounting for 16% of our revenue in FY21. Our strategy of geographic expansion into emerging markets through our new partners also showed promising results, as we also received faster approvals for our product registrations. This helps us to de-risk our business in terms of geographic concentration of revenue. Our Indian business showed a growth of 19% over the last year, we launched new products and ensured continuous supply of essential products during the pandemic.

Slide #5- Levers for Sustainable Growth Going Forward

The growth was aided by new launches and volume growth from existing portfolio. There has been further addition to our manufacturing capacities which helped us with volume growth in



our existing portfolio. We have launched 28 molecules during the year and the key launches for the year were Micafungin, Ziprasidone, Bivalirudin RTU and Olopatadine.

We are committed to build a sustainable business and we believe strength in R&D is key to business sustainability. In FY 2020-21, total R&D expenditure was Rs. 1,220 million, which is nearly 3.5% of our revenue from operations. All our R&D investments are scrutinized in depth and meet our internal ROCE targets. We are working towards building some niche capabilities that shall drive long-term growth. We have built a pipeline of products that shall drive growth in years to come, as of March 31, 2021, we along with our partners have 284 ANDA filings, which include 234 ANDA approvals and 50 ANDAs filed and awaiting approval.

Slide #6- Biologics CDMO Market

While your Company has made a name for itself as a Major CDMO player in Small molecule Generic Injectable space, it has to establish itself in the biosimilar space.

I would like to spend a little time on the biologics CDMO market, as I see your Company making big strides to establish this capability in the near term. The biologics market is currently about USD 300 Bn in size, within which the biologics CDMO market is estimated at nearly USD 13 Bn, growing at a CAGR of 15% over last 5 years. The manufacturing of biopharmaceutical is complex and difficult to be transferred, requires higher investments. There are 80+ biological drugs which are going to lose exclusivity in the US and EU over 2021-25. Europe and the US still account for the majority of CDMOs market due to their vast experience and excellent R&D capabilities. The developing markets have seen companies build these capabilities, which is becoming a new engine for the growth of global biopharmaceutical CDMO industry. But the market is still at a nascent stage and very fragmented, leaving the field still wide open for new entrants to make a mark in the industry. The support we receive from our parent, Fosun Pharma, by virtue of them already having immense experience in biologics, will help us to accelerate ramp-up. I believe this business diversification by entry in to a new class of molecules, is well aligned with our existing business and helps us leverage our strengths to open up avenues of growth.

To foray into this CDMO space, we made the first step by entering into an agreement to manufacture Sputnik-V COVID vaccine. When evaluating the proposition, we were presented with two key challenges: Firstly, significant investments to be made in building a drug substance plant with no prior experience of vaccine manufacturing; Secondly, we needed a dedicated fill-finish line for finished formulation manufacturing, which meant significant modifications at our fill-finish plant in a short period of time. After detailed deliberations we decided to go ahead with this project, as we looked at it as a way to accelerate our entry in to bio-similar CDMO space since both are allied areas. This will also help us support the global fight against COVID-19 adding to the global supply of vaccines. As you are aware, we have quickly acquired a Biological Drug substance plant and started working with the Russian partners for the



technology transfer. It is progressing well and we look forward to initiating supply of vaccines by end of this year.

Slide #7- Focus on achieving a diverse product mix offering products at various stages of their lifecycle

Our growth strategy includes both organic and inorganic plans. We are establishing capabilities in niche technologies like Long Acting Injectables, Suspensions, Hormones, Peptides, both in development and manufacturing. Our inorganic growth plans are focused on acquiring new technologies, strengthening vertical integration and also growing by way of geographic expansion, which are part of our long-term growth strategy. We lay focus on acquiring assets that align with our long-term strategy, having similar emphasis on quality and meet our ROCE requirements.

We continue to leverage the strengths of our parent company, Fosun Pharma to mobilise our resources and act quickly in the most unusual circumstances. Fostering our ties with Fosun Pharma, we are taking strides to penetrate in an otherwise difficult market of China, where we have already made six product filings and are also developing China-specific products.

Slide #8- Four broad focus areas to align strategic initiatives internally

I strongly believe it is our culture and values, anchored in our long-term strategic objectives, which will help us march ahead successfully. For the coming year I have outlined four broad focus areas for our teams to align strategic initiatives internally.

- 1.) Re-grouping and Consolidation by transferring and sharing of resources, expertise and assets across all manufacturing locations. This will enable us to operate a lean, flexible and effective organisation.
- 2.) Diversification of Product Portfolio, which implies investments to be made into technologies and R&D that drive portfolio expansion
- 3.) Streamlining of our Human Capital, avoid redundancies, support employees with all tools and skill trainings to be able to adapt and perform in this changing market environment
- 4.) Effective and Efficient Manufacturing, to ensure we don't lose out on our key strength of high-quality manufacturing at affordable price, as we continue to scale our manufacturing and build new capabilities. Always be agile to look for ways to achieve operational excellence in not just the new products but more on the life cycle management of the existing products.

Slide #9- Thank You

This sums up what I wanted to share today. I would like to thank all our shareholders for your support towards your Company. I would also like to thank the board of directors for their



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continuous support in formalizing key business KPIs and building a sustainable business. With this, I would like to hand the proceedings back to Sampath, our Company Secretary, to proceed with other meeting items.

Sampath Kumar:

Thank you, Mr. Sadu. Thank you, Chairman. I am happy to share that around 40 members have so far logged into our annual general meeting 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 resolutions 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 annual general meeting:

- Item #1 and #2 of the notice pertains to the adoption of audited standalone and consolidated financial statements of the Company for the financial year ended 31st March 2021. 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 the adoption of the members.
- Item #3 of the notice pertains to reappointment of Mr. Srinivas Sadu as the Director liable to retire by rotation and has been proposed as an ordinary resolution. Considering his valuable contribution to the organization, the board has recommended his reappointment.
- Item #4 of the notice pertains to reappointment of Mr. Li Dongming as the Director liable to retire by rotation and has been proposed as an ordinary resolution. Considering his rich experience and contribution to the organization, the board has recommended his reappointment.
- Item #5 of the notice pertains to appointment of Ms. Naina Lal Kidwai as a Director and an independent director and has been proposed as an ordinary resolution. Considering her rich experience, the board has recommended her appointment as an independent director for a period of five years with effect from 17th May, 2021.
- Item #6 pertains to appointment of Dr. Jia Ai Zhang as a Director liable to retire by rotation, and the resolution has been proposed as an ordinary resolution. In view of his expert knowledge and experience in vaccines and in R&D, the board has recommended his appointment as a director liable to retire by rotation.
- Item #7 pertains to appointment of Mr. Udo Johannes Vetter as an Independent Director and the resolution has been proposed as an ordinary resolution. Considering his vast experience and contribution to the Company, the board has recommended his appointment as an Independent Director for a period of five years with effect from 21st July, 2021.
- Items # 8,9,10 and 11 pertain to payment of commission on profits as remuneration to Ms. Naina Lal Kidwai, Mr. Essaji Goolam Vahanvati, Mr. Udo Johannes Vetter and to Mr. C.S.N. Murthy, all independent Directors. All the four resolutions have been proposed as ordinary resolutions.



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These are the 11 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 questions to the management or the statutory auditor or the secretarial auditor. We have received 10 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 question, may do so by posting 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 these 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 to not to take more than three minutes. This will ensure that other members get a chance to speak at the AGM. 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 latest by 11 AM on Saturday, August 28, 2021. The combined result will be placed on the website of the Company and on website of the NSDL. The 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. May I now request the moderator to please invite the shareholders one-by-one. Thank you.

Moderator:

Thank you very much, Mr. Kumar. Ladies and gentlemen, we will now begin the question-and-answer session. I would now like to invite our first speaker shareholder, Mr. Praful Chavda. Mr. Praful Chavda, I would request you to please unmute your audio and please go ahead with your questions, please.

Mr. Praful Chavda:

Thank you, sir, for giving me the opportunity to speak in the company's first AGM. I thank the board of directors and the company secretary for giving the opportunity as the first speaker. And specially I would like to thank the company secretary for his hard work that when IPO came, there was a lot of tension on India-China border. At that time the media used to show that whichever IPO has come, in this the promoters are selling their shares, means the promoter will earn money with the IPO and it will not go to the company. So, the IPO was a success and that is very good and the listing is excellent, Sir. For this reason, along with the board of directors, I would like to thank the company secretary's hard work and I had some negative thoughts regarding the company, regarding the China director but the company secretary spoke to me. After speaking to me, my negative thinking turned positive and I became your company's well-wisher. For this, I would say our company secretary is a genius that he changed my mindset regarding the company. And I requested for a hard copy of the AGM report and he delivered it to me.

I will now come to the AGM report. So, Sir, in CSR you invested Rs. 2,000,000 in Zoo Park and adopted 17 animals, this is really very good. Many few companies have such kind of thoughts, they just invest the CSR money here and there and complete the formalities but you have done



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a very good work. Sir now also there are 3,950 employees, in this the average comes to 33 years, that means that complete young generation is working with us and we have 528 women employees, that means 13% is the women employee, this is also a very good thing. Specially, I have seen that more than 1 lakh, 96 shareholders are such that they have 94% of the holdings, that means there is a 6% holding in the market, so something should be done in this that these people are sitting with these shares, so what should be done. The company has faith in it but the liquidity is decreasing in the market, so should anything be done to increase the liquidity? I want to say one thing especially that retirement is after 50 years, so at the time of retirement you do your employees' health check-up and financial check-up, this person has been working with you from past 25-30 years and when he retires, at that time if his financial position is not good and he needs job, so increase his 5 more years, so that the person who had worked with you for 25-30 years, will work for 5 more years for you, so that his financial problem gets a bit sorted, I believe like this. And I was thinking about one thing from a very long time that today's is the dog's day, so with us our company directors, board of directors, Chairman and employees, all of them earn and give this much money to us and we do investments and this amount gets doubled or tripled but we do not find a board of director day anywhere, there is no employee day. So, you talk to the government that there should be a board of director day, managing director day, chairman day or employee's day so that we can wish our employees on that day who does hard work and we get benefited with it. Especially, how many such employees in our company are there who are retired army men or how many jobs have you given to people to any martyr's family members, please let us know that. Like just now the Olympics got over, though we did not get that much medals as we were expecting but if a company like yours adopts children going to Olympics and help them from start till the end, then I believe that in the coming 5 or 10 years, there will definitely be one or two medals in the name of our company. So, you should help people who wants to take part in the Olympics and also those who have participated in the Olympics so that their future remains bright. Thank you, Sir.

Moderator: Thank you very much. I now invite our next speaker shareholder, Mr. Rajendra Singh to go ahead. Mr. Rajendra Singh, I would request you to please publish your webcam and unmute your audio and go ahead with your question, Sir.

Rajendra Singh: Yes, Sir and thank you. So, Gland has raised almost 12,500 million cash in IPOs and almost 30,000 million cash as on 31st March, 2021. So based on that I have a question; that is what is your future plans for utilization of this cash? And second question is that, what is your plans and strategies for this merger and acquisitions?

Moderator: Mr. Singh?

Rajendra Singh: Yes.

Moderator: That was your only question, Sir?

Rajendra Singh: Yes, that is it.



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Moderator: I would now like to invite our next speaker shareholder, Mr. Kamal Kishore to go ahead with his query.

Kamal Kishore: Thank you Sir. Hello, Mr. Chairman, Managing Directors, all the directors. Today is our first meeting after the IPO with video conferencing, this is a very good thing and our 43rd annual general meeting, which is after our public IPO, as we say 'Shri Ganesh', 4 and 3 makes 7, so first 'Shri Ganesh' and then only all the other work happens, so today the figure of 43 is also very good.

I would like to speak about the company that when we had filled in IPO, we were not expecting that we will get such good returns on our share, this is unbelievable. Within one year, we have got 1.5 times money as a profit to all investors, we have got such good returns due to the hard work of the company and I had called up only once regarding the balance sheet and our company secretary, Mr. Sampath Kumar, secretarial department gave such a good response, they immediately forwarded the copy of it. I would like to say a very big thank you to the secretarial department and the company secretary, Mr. Sampath Kumar that the company secretary has given such a big response and he did not trouble us more, he responded in the first time only. And the chorus, the online business, even they have helped us, whenever we have any problem, they have given time to time service to us. And Sir, now the Chairman and Mr. Srinivas told us about the pipeline, it is a pleasure to us. And now there are no chances of the face value, share splitting as it is already a Re. 1 product share. And our vision is good, our products in the pipeline should be produced in such a way that our company should produce new products in the competition of other products and our company's name should grow even more bigger, even the products should increase and turnover should also increase and in turn good profits would be gained. And last, the CSR whatever you think, you do. I wish that the management should do with their hands only and not give it to someone else. Some people come and take money regarding CSR, they give little and remaining what they do, God alone knows. You do with your own hands only in the name of the company so that the company gets the blessings for it and you; Managing directors and employees should only get it for the social work that you do with so much of hard work. And lastly, please conduct this type of video conferencing every year, so that wherever we are, wherever the director is, we can meet virtually through video conferencing. And I would like to thank the secretarial department and the Mr. Director who gave me the opportunity to speak today. Thank you, Sir.

Moderator: Thank you very much. I now invite our next speaker shareholder, Mr. Ashish Trivedi, please go ahead.

Ashish Trivedi: Thank you so much for the opportunity. I have a very small question but I would like to ask that whether Gland is already working on complex injectable products or is it in the pipeline and when the management thinks that such products will hit the market?

Moderator: Thank you. Next question is from Mr. Suresh Chand Jain.



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Suresh Chand Jain: Respected Mr. Chairman, all the directors present and my shareholder colleagues. I you go to see, it is the 43rd meeting today, I thank the management as well as you team for this and this is the first meeting for us; shareholders. And I wanted to welcome the Chairman with a beautiful garland of gold and silver pearls for whichever first meeting, silver jubilee meeting and the golden jubilee meeting which you all can view, it is a very beautiful garland, I really wanted to welcome you with it, Sir. I will safeguard this garland with me and whenever we meet in person, I would like to welcome you with it. Since this is our first meeting, that is why I would like to say that I am very pleased to hear about the company and its outline and I am feeling very proud that I am a shareholder of this company. And Sir, the proposal that you have kept in front of us for the future guidance, I support that proposal. And Sir, in future also, please keep these meetings through video conferencing in this manner only, so that we go to Mumbai, Madras, Bangalore sometimes, if your meeting is conducted at that time, then we will be able to understand the company's outline. Sir someone stays in Mumbai, someone stays in Delhi, some one in Madras or Bangalore and if the company conducts video conferencing, then they will also gain the knowledge about the company. And with this good wishes, I pray to God that you grow more in future by doubling your days and quadrupling your nights and progress in future and give strength to the country. And I am pleased to know that the products that used to come to India from China, you are producing and supplying that product over here, for that also I am feeling very happy for the contribution of our Gland Pharma family in the development of India, I have no words to express that feeling, that is why I would like to give a pause to my thoughts and I am sure you will keep on progressing like this only and move in the forward direction in the future and you would have a major contribution in serving India.

Management: Thank you.

Moderator: Thank you. I now invite our next speaker shareholder, Bijal Shettigar.

Bijal Shettigar: Thank you for giving me the opportunity. I have two questions on capital working progress and CSR. As of 31st March, 2021, our company has Rs. 3,378 million at the capital work in progress, which has increased by 79% as compared to previous year. Can you please explain what are the major projects currently under progress? Second question is; our company in FY2021, has spent Rs. 144 million to CSR, can you please help me to understand what are the focus areas for FY2022 and till now, how much has been spent? These are my two questions.

Moderator: Thank you. I now invite our next speaker shareholder, Mr. Shrey Jain to please go ahead with his queries.

Shrey Jain: Hi, thank you for this opportunity to ask questions. I had two questions in mind; one was on the status of M&A opportunities, wanted to understand if it is, that the deals are not falling through because of valuation or other reasons or is it that there are not enough candidates that are available to the company at this point in time? If the management could share some examples on how they looked at opportunities, that would be good. And if they could also share a tentative timeline of how they are working to identify and invest in those particular assets that they are



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looking at. That was my question one. Question two is on increased competition; so, we have noticed that there are a bunch of companies who are looking to enter and compete with gland in the injectables' space, how does the management perceive this particular risk of competition that is seeping into this particular space and how is the company preparing for it vis-à-vis increase in competition in India. Those are the two questions that I have, thank you.

Moderator: Thank you very much. I now invite our next speaker shareholder, Mr. Sayantan Bhowmick. Mr. Bhowmick I would request you to please go ahead with your query.

Sayantan Bhowmick: Thank you. Respected Chairman Sir, members of the board and my fellow shareholders, I am Sayantan Bhowmick and I represent PineBridge Investments. At the outset I would like to congratulate the company, for reporting the excellent results of the last few years, I would also like to thank all the employees and the management of the company for ensuring uninterrupted supply of medicines in these trying times. Thirdly, I would like to commend the company for publishing very informative and well-designed annual report. Finally, I would also like to thank team of the company to going out of the way to ensure my participation at this AGM was smooth.

Now, I would like to present my views on an issue we at PineBirdge Investments feel strongly about. It is universally understood that institutional investor's main objective and investee companies' main obligation is to maximize returns for shareholders, however the rise of responsible investing considerations at these environments social and governments are increasingly gaining importance. ESG considerations are slowly but surely becoming an integral part of an investor's judiciary duty. ESG considerations can relate to ESG reporting or disclosures, ESG performance that is how our company is performing in ESG domains and ESG's overall rating. The European Union has recently come out with regulations governing the conduct of companies for environmental, social and governance related issues. These regulations commonly known as SFDR; Sustainable Finance Disclosure Regulation has come into force as of the 10th of March 2021. The financial regulators have drafted technical standards on parameters that companies needs to disclose, this includes a set of mandatory disclosures and additional environmental and social disclosures. I would like to thus urge the company to consider increasing our ESG related disclosures to global standards, so that investors adhering to the new EU regulations have an opportunity to invest in the company. I hope you will consider my suggestion favorably. With this I would like to once again thank the company for this opportunity to present my views at this AGM and wish the company all the very best for its future appearance. Thank you.

Moderator: Thank you. I would now like to invite our next speaker shareholder. Mr. Ravi Naredi. Mr. Naredi, may we request you to please unmute your audio and video and please proceed with your query.

Ravi Naredi: Hello Respected Chairman, MD, Honorable Board of Directors, Employees of Company and fellow shareholders. Sir I attended conference con call of investor with you and knew very much



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about company and annual report was elaborate, I give thanks to management for such nice con-call you are doing with investor, with every quarter result. Sir, I knew in Pharma, R&D.

Moderator: Mr. Naredi, we are not able to hear you. We will move to our next speaker shareholder while we check for the connection for Mr. Naredi. Our next speaker shareholder is Mr. Rajesh Chanani. Mr. Chanani please go ahead with your query.

Rajesh Chanani: Respected Chairman, highly distinguished Board of Directors my fellow shareholders online, my name is Rajesh Chanani, I am speaking from Hyderabad, Himayat Nagar. So, first of all congratulations for a very good and fantastic listing sir. Because I am very happy with the performance of the company, I got the share at the rate of Rs. 1500 and today the price is Rs. 3900, so it is really very hard work of the management and excellent leadership and we have a very good independent director Naina Lal Kidwai also, she has been on the board and the entire board of directors have really worked out but sir my humble request for the coming year and hope everything goes very well, we come out of this pandemic situation, because today we are speaking online, not being able to meet personally, so I would request sir if possible we try to make a AGM in a physical way because the Granules and all companies have been doing it, so only this, from last year we are facing this type of problem and one more thing I would like to say sir, due to the pandemic lot of families have been affected and I hope our company is doing very good CSR work, whatever possible way to help them out because we are into this business of pharmaceutical, where people expect a lot from the company from the Pharma people. So, my very best wishes to the company for the coming year and I hope we see the price of Rs. 5000 + also sir under your great leadership and the board of directors. So, I hope sir next year we meet personally and all the very best and I am supporting all the resolutions. Thank you very much.

Moderator: Thank you very much. We have the connection now reestablished for Mr. Naredi. Mr. Naredi please go ahead with your queries.

Naredi: Yes sir, my question is our R&D expense is 3.5% that is Rs. 122 crore, do you think it is lower side and it must increase, do you have any plan to increase this and CAPEX plan for Financial year' 22-23 it will help us. Thanking you very much sir. You are nice management and doing good for investor.

Moderator: Thank you very much. Members of management that was our last question. Before the queries are answered by the management speakers, we would like to play a small video for the participants. Sir you may go ahead.

Srinivas Sadu: Thank you Zaid (Moderator). I would like to thank all the shareholders who came online to seek some clarification, questions, I would like to thank Mr. Praful Chavda, Mr. Kamal Kishore Jhavar, Mr. Rajesh K Chanani, and Mr. Suresh Chand Jain for their comments and we make note of their recommendations and we will discuss internally.



There are some questions specifically pertaining to business which we are going to address. There is a question on competition by Shery Jain. So, this increase in the competition what you are seeing this trend has been going on for some years now and we have been able to continue our growth path, despite competition. Over the years if you see we have gained immense experience of manufacturing sterile injectables at large scale, which is not easily replicable given the complexities in quality management. Our portfolio now spreads across diverse therapeutic areas and it helps us differentiate amongst upcoming competition and our business model also is unique and is a key attribute for our success. By focusing on B2B business, we are able to aggregate demand from multiple customers, resulting in benefits from economies of scale which is key in injectable manufacturing as a fixed cost for majority of cost overheads. So, I think we are covered in terms of competition and competition is a part of our business anyway.

There is one question on M&A opportunities, the strategic and M&A forms part of our business strategy, I have also mentioned in my initial speech, as mentioned earlier in the speech, we have outlined areas that help us in building niche product capabilities on the both the API and formulation front and it also help us achieve backward integration of critical products and gain geographical traction. We have evaluated multiple opportunities but we do not want to compromise on two key aspects, culture and quality, we are committed to ensure we build shareholder value, through any acquisition which we do. In terms of valuation, yes there are assets available but at high valuations, so we have to balance between how much we pay and how much we gain and it has to fit into our strategic goal.

Regarding the money raised in the IPO, as part of our growth plan we have been investing cash in both organic and inorganic opportunities. On the organic front we are building capacities and investing in expanding our product portfolio and I have already outlined the key focus areas in M&A as part of response to the previous question.

There is one question on complex injectables, yes Gland has a portfolio of complex injectables as part of the R&D pipeline, if you look at complex portfolio there are almost 35-40 products, we have already started working on portfolio in products and we are filing about 4 products end of this year or beginning of next year. Typically, it takes about a couple of years to commercialize since filing but this is subject to receiving approvals, we are also evaluating opportunities to acquire products in this space to reduce go to market time for some of the technologies which we do not have in house capabilities.

On the SFDR, yes, we are aware of the SFDR guidelines which came into effect from 10th of March' 21 and we are looking at making more disclosure in annual report in terms of this and we have defined a strategic sustainability target for promoting, environmental and social objectives. Our CSR program focusses on promoting education, health and livelihood and community, Environment and wildlife conservation is also one of our focus area for sustainability development. We are committed to implement the eco friendly initiatives like



reduction of carbon foot print by using CNG, reduction of water consumption and effective waste management.

I think I have covered most of the questions, I would like to handover to Mr. Ravi Mitra to answer the question related to CAPEX and CSR.

Ravi Mitra:

Thank you Mr. Sadu. There is one question on the CAPEX and CWIP. We are expanding our capacities in Pashamylaram facility in Hyderabad, where we are adding new lines. To scale up the backward integration as well we are expanding our API capacity at Vizag facility, where we are adding a new block and there is a new R&D facility coming up at Pashamylaram. Overall, on the CAPEX plan for FY'22-23 we would be spending about Rs. 800 crore and out of that about Rs. 300 crore would be on the new biotech vaccine facility.

On the question on CSR vision, so our focus area for FY'22 will be promotion of education, healthcare, rural development and community development. We will also continue to actively participate in COVID-19 related relief efforts. Now estimated CSR spend for the full year of FY'22 would be around Rs. 20 crore. With this I think we have answered all the questions. Now, I would like to handover back to Mr. Sampath.

Srinivas Sadu:

There are few questions which came in the Chatbot, so I would like to address those. One question is from Ravi Kumar, he said the 3.5% R&D seems to be little less, we mentioned about our B2B model business, so basically compared to a B2C company actually our R&D is also shared by our partners because they also have rights to market, so that is why it looks little lower than other companies but this is in line with other B2B companies and because our base is increasing and we are growing at a faster rate, so 3.5-4% is normal rate which we are thinking will be there even moving forward.

Another question is whether we want to enter manufacturing under CDMO for innovator companies or only generic. Yes, we are looking at getting into this space, we are working with innovator companies on the CDMO side. USFDA inspection last time it happened in 2019, there is no recent inspection still, so I think they have started to comeback later part of this year, so as of now I think we do not have any dates from them for audit.

Are our margins sustainable in the long run? And then any idea of entering biologics? Again, I covered it, our growth plan has a CDMO portion getting into bio stimulus CDMO space. And from the margin side, are these sustainable? Yes, based on the volumes and business model what we have, we have been holding of the margins even for the products which were launched over many years and we are working on life cycle management of most of the products and that is one reasons we are able to sustain this margin even for the older products which were launched about 8-10 years ago and we are pretty confident of holding of these margins, moving forward as well.



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I think that covers all the questions from the chatbox as well, now I will handover to Sampath to continue with the proceedings.

Sampath Kumar:

Thank you, Mr. Sadu and Mr. Ravi Mitra for taking up the questions. Now, all the questions have been answered. I can now request the chairman to thank the shareholders and close the meeting. Mr. Chairman, over to you.

Stanley Y Lau:

Thank you Mr. Sadu 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. 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 countersign the scrutinizer's report, and announce the voting results. Thank you all for attending this first AGM post listing and hopefully we would meet in person next year. Thank you all for attending.