



# GLAND PHARMA LIMITED

May 18, 2023

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> floor, Dalal Street  
Mumbai - 400 001  
Scrip Code: 543245

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, 5th floor  
Plot no. C-1, Block G, Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051  
Symbol: GLAND (ISIN: INE068V01023)

Dear Sir/Madam,

## **Sub: Outcome of the Board Meeting**

In continuation to our intimation dated April 28, 2023 regarding the Board Meeting Notice, we would like to inform you that the Board of Directors (the “**Board**”) of Gland Pharma Limited (the “**Company**”) at its Meeting held today, i.e. Thursday, May 18, 2023 has *inter-alia* considered and approved the following:

### **I. Financial Results**

Audited financial results (standalone and consolidated) along with the Audit Report(s) for the quarter and financial year ended March 31, 2023, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(‘Listing Regulations’) which has been duly reviewed and recommended by the Audit Committee.

The Statutory Auditors of the Company have issued Audit Report(s) with an unmodified opinion on the Audited Financial Statements (standalone and consolidated) of the Company for the financial year ended March 31, 2023.

### **II. Annual General Meeting**

The 45<sup>th</sup> Annual General Meeting of the members of the Company will be held through video conferencing (VC)/ other audio-visual means (OAVM) on Thursday, August 31, 2023.

We are enclosing herewith the following:

1. Audited financial results (standalone and consolidated) along with the Audit Report(s) of the Company for the quarter and financial year ended March 31, 2023 prepared in compliance with Indian Accounting Standards (Ind AS).
2. Press Release and Investor Presentation on the financial results of the Company for the above period.

The Board Meeting commenced at 15.30 Hrs. IST and ended at 17.15 Hrs. IST.

This is for your information and records.

**Yours truly,  
For Gland Pharma Limited**

**P Sampath Kumar  
Company Secretary and Compliance Officer**

**Regd. Office:**  
Survey No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads  
D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal  
Medchal-Malkajgiri District, Hyderabad 500043, Telangana, India  
Tel: +91-40-30510999 Fax: +91-40-30510800

**Corporate Office:**  
Plot No. 11 & 84, TSIIIC Phase: IV  
Pashamylaram (V), Patancheru (M), Sangareddy District  
Hyderabad 502307, Telangana, India  
Tel: +91-8455-699999

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Gland Pharma Limited

**Report on the audit of the Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Gland Pharma Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and other financial information of the subsidiaries, the Statement:

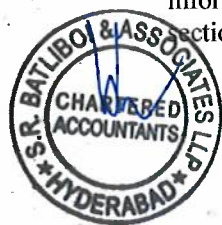
- i. includes the results of Holding Company and its subsidiaries Gland Pharma International Pte. Ltd., Singapore and Gland Pharma USA Inc., USA ("the Subsidiaries");
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles



generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## **Other Matter**

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- Two subsidiaries, whose financial statements include total assets of Rs 1,546.62 Million as at March 31, 2023, total revenues of Rs 546.79 Million and Rs 2,275.13 Million, total net (loss)/profit after tax of Rs. (5.23) Million and Rs. 52.17 Million, total comprehensive (loss)/income of Rs. (5.23) Million and Rs. 52.17 Million, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 45.54 Million for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Of the above, 1 subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with the accounting principles generally accepted in its respective country and which has been audited by the other auditor under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**



per **Vineet Kedia**

Partner

Membership No.: 212230



UDIN: 23212230BGSSSEQ1621

Hyderabad

May 18, 2023

**GLAND PHARMA LIMITED**

Corporate Identity Number: L24239TG1978PLC002276

Registered Office: Sy. No. 143 - 148, 150 and 151, Near Gandhi Maisamma 'X' Roads, D.P. Pally, Dundigal

Dundigal - Gandhi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India

Tel: +91 84556 99999; Website: www.glandpharma.com; E-mail: investors@glandpharma.com

**Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2023**

(₹ in million)

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Income</b>					
Revenue from operations	7,850.11	9,382.88	11,030.14	36,246.01	44,007.08
Other income	389.39	615.09	652.34	2,404.63	2,239.38
<b>Total income</b>	<b>8,239.50</b>	<b>9,997.97</b>	<b>11,682.48</b>	<b>38,650.64</b>	<b>46,246.46</b>
<b>2. Expenses</b>					
Cost of materials consumed	4,383.77	4,331.95	6,029.51	17,167.51	20,468.62
Purchases of traded goods	31.57	39.00	88.09	155.93	256.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(766.93)	(100.26)	(664.68)	(469.17)	366.90
Power and fuel	295.11	292.04	251.25	1,248.37	950.54
Employee benefits expense	1,028.22	1,011.43	942.46	4,032.61	3,385.66
Depreciation and amortisation expense	375.42	376.11	310.75	1,467.36	1,102.96
Finance expense	22.03	26.20	20.33	74.47	52.42
Other expenses	1,194.19	913.00	899.93	3,863.13	3,477.19
<b>Total expenses</b>	<b>6,563.38</b>	<b>6,889.47</b>	<b>7,877.64</b>	<b>27,540.21</b>	<b>30,060.94</b>
<b>3. Profit before exceptional items and tax (1-2)</b>	<b>1,676.12</b>	<b>3,108.50</b>	<b>3,804.84</b>	<b>11,110.43</b>	<b>16,185.52</b>
4. Exceptional item (refer note 5)	564.61	-	-	564.61	-
<b>5. Profit before tax (3-4)</b>	<b>1,111.51</b>	<b>3,108.50</b>	<b>3,804.84</b>	<b>10,545.82</b>	<b>16,185.52</b>
<b>6. Tax expense</b>					
Current tax	437.85	772.81	884.68	2,771.57	3,958.83
Deferred tax	(104.98)	16.20	93.23	(27.99)	140.08
Taxes for earlier years	(8.19)	-	(32.09)	(8.19)	(30.03)
<b>Total tax expense</b>	<b>324.68</b>	<b>789.01</b>	<b>945.82</b>	<b>2,735.39</b>	<b>4,068.88</b>
<b>7. Profit for the period/year (5-6)</b>	<b>786.83</b>	<b>2,319.49</b>	<b>2,859.02</b>	<b>7,810.43</b>	<b>12,116.64</b>
Attributable to:					
- Owners of the Company	786.83	2,319.49	2,859.02	7,810.43	12,116.64
- Non-controlling interests	-	-	-	-	-
<b>8. Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of net investment in foreign operations	0.75	(2.67)	0.77	(8.14)	0.73
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Re-measurement loss/(gain) on employee defined benefit plans	59.87	(9.92)	2.61	30.10	5.14
Deferred tax impact on remeasurement of defined benefit plans	(15.07)	2.50	(0.65)	(7.58)	(1.29)
<b>Total other comprehensive (income) / loss (net of tax)</b>	<b>45.55</b>	<b>(10.09)</b>	<b>2.73</b>	<b>14.38</b>	<b>4.58</b>
<b>9. Total comprehensive income (after taxes) (7-8)</b>	<b>741.28</b>	<b>2,329.58</b>	<b>2,856.29</b>	<b>7,796.05</b>	<b>12,112.06</b>
Attributable to:					
- Owners of the Company	741.28	2,329.58	2,856.29	7,796.05	12,112.06
- Non-controlling interests	-	-	-	-	-
<b>10. Paid up equity share capital (Face value of ₹1/- each)</b>	<b>164.70</b>	<b>164.69</b>	<b>164.30</b>	<b>164.70</b>	<b>164.30</b>
11. Other equity				79,422.52	71,411.91
<b>12. Earnings per equity share (Face value of ₹1/- each):</b> <i>(Not annualised for the quarter)</i>					
Basic (₹)	4.78	14.08	17.40	47.44	73.81
Diluted (₹)	4.78	14.08	17.36	47.43	73.64



Notes:

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, this Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2023 ("Audited Consolidated Financial Results") of Gland Pharma Limited (the "Holding Company" or the "Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the "Group") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 18, 2023. The statutory auditors have expressed an unmodified opinion on the consolidated financial results.
2. The audited Consolidated Financial Results of the Group have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended (the "Listing requirements").
3. The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the end of the third quarter of the relevant financial year, which were subjected to a limited review.
4. The audited Consolidated Financial Results of the Group, includes the results of the following entities:

Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Gland Pharma International Pte. Ltd., Singapore ("Gland Singapore")	Singapore	Subsidiary	100%
Gland Pharma USA Inc., USA ("Gland USA")	USA	Step-down subsidiary	100%

5. Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹564.61 Mn. has been recorded as a provision for credit impaired financial assets during the quarter ended March 31, 2023. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.
6. The Company, through its wholly owned subsidiary ("Gland Pharma International Pte. Ltd." or 'Gland Singapore'), has entered into a Put option agreement on November 29, 2022 to acquire 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as "Cenexi") and 3 holding companies of Cenexi and entered into a Share Purchase Agreement ('SPA') on January 06, 2023.  
Subsequent to the balance sheet date, on satisfaction of customary closing conditions and receipt of the necessary regulatory approvals, Gland Singapore has paid an amount of EUR 114.26 Mn (after adjustments as per the terms and conditions of SPA) and refinanced the outstanding existing loan of EUR 79.46 Mn for the acquisition on April 27, 2023. Accordingly, no effect for the same is given in the financial statements.  
Cenexi is in the business of Contract Development and Manufacturing Organisation ("CDMO") with sterile expertise and a track-record in ampoules, PFS and vials, and complex or niche formulations and/or dosage forms with a focus on high potent steriles and solids.
7. The Group operates in one single reportable business segment- "Pharmaceuticals".
8. During the quarter ended March 31, 2023, the Company has allotted 10,600 equity shares of ₹1 each, fully-paid, consequent to the exercise of stock option by the employees of Company under the Gland Pharma Employee Stock Options Scheme, 2019.
9. The Audited Consolidated Balance Sheet and Audited Consolidated Statement of Cash Flows are set out in *Annexure A* and *Annexure B* respectively.
10. The previous periods/year numbers have been regrouped/rearranged wherever necessary to conform with the current period presentation.
11. The above Audited Consolidated Financial Results of the Group are available on the Company's website [www.glandpharma.com](http://www.glandpharma.com) and also on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), where the shares of the Company are listed.



For and on behalf of the Board  
Gland Pharma Limited

*S. Srinivas*

Srinivas Sadu  
Managing Director and CEO  
DIN No. 06900659

Hyderabad  
May 18, 2023

**Audited Consolidated Balance Sheet as at March 31, 2023**

Annexure A

(₹ in million)

Particulars	As at	As at
	31-Mar-23	31-Mar-22
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,585.01	14,990.92
Capital work-in-progress	1,772.16	1,807.45
Right-of-use assets	3.86	5.66
Other Intangibles	116.61	25.35
Intangible assets under development	-	100.00
Financial assets		
Other financial assets	-	2,000.00
Tax assets (net)	225.22	49.89
Other non-current assets	1,064.41	836.15
	<b>18,767.27</b>	<b>19,815.42</b>
<b>Current assets</b>		
Inventories	19,453.00	11,856.67
Financial assets		
Investments	-	1,548.74
Loans	1.39	4.67
Trade receivables	8,713.94	10,748.05
Cash and cash equivalents	19,088.95	3,188.20
Bank balances other than cash and cash equivalents	18,617.80	27,746.21
Other financial assets	655.21	466.18
Other current assets	2,477.79	2,962.07
	<b>69,008.08</b>	<b>58,520.79</b>
<b>Total Assets</b>	<b>87,775.35</b>	<b>78,336.21</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	164.70	164.30
Other equity	79,422.52	71,411.91
<b>Equity attributable to the owners of the Company</b>	<b>79,587.22</b>	<b>71,576.21</b>
Non-controlling interests	-	-
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	32.61	38.21
Lease liabilities	4.83	6.61
Other financial liabilities	17.33	17.33
Deferred tax liability (net)	842.03	877.60
	<b>896.80</b>	<b>939.75</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	5.60	1.12
Lease liabilities	1.49	1.49
Trade payables		
Total outstanding dues of micro, small and medium enterprises	78.34	62.99
Total outstanding dues of creditors other than micro, small and medium enterprises	5,795.16	4,565.51
Other financial liabilities	163.05	209.05
Provisions	313.18	247.73
Current tax liabilities (net)	9.85	179.79
Other current liabilities	924.66	552.57
	<b>7,291.33</b>	<b>5,820.25</b>
<b>Total Equity and Liabilities</b>	<b>87,775.35</b>	<b>78,336.21</b>





## Audited Consolidated Statement of Cash Flows for the year ended March 31, 2023

(₹ in million)

Particulars	Year ended	
	31-Mar-23	31-Mar-22
	Audited	Audited
<b>Cash flow from operating activities</b>		
Profit before tax	10,545.82	16,185.52
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,467.36	1,102.96
Exceptional item	564.61	-
Allowance for credit losses	-	37.85
Other Assets written off	63.32	-
Bad debts written off	22.04	3.42
Interest expense	62.26	33.26
Finance charges on leases	0.61	0.76
Employee stock option compensation	-	46.21
Exchange differences on translation of assets and liabilities, net	8.14	(0.73)
Unrealised foreign exchange loss/(gain)	15.42	(76.83)
Fair value gain on financial instruments at fair value through profit or loss	-	(15.26)
Profit on disposal of financial assets - mutual funds	(28.48)	(29.63)
Loss on disposal of property, plant and equipment (net)	0.81	1.78
Interest income	(1,794.17)	(1,386.45)
<b>Operating profit before working capital changes</b>	<b>10,927.74</b>	<b>15,902.86</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in receivables	1,439.97	(4,195.70)
(Increase)/Decrease in inventories	(7,596.33)	895.01
Decrease/(Increase) in loans	3.28	(2.13)
Decrease/(Increase) in other assets	356.47	(1,380.81)
Increase in trade payables and other financial liabilities	1,209.76	659.19
Increase in provisions and other liabilities	407.44	94.36
<b>Cash generated from operations</b>	<b>6,748.33</b>	<b>11,972.78</b>
Income tax paid (net of refunds)	(3,108.65)	(4,065.09)
<b>Net cash flow from operating activities (A)</b>	<b>3,639.68</b>	<b>7,907.69</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,209.29)	(5,113.27)
Proceeds from disposal of property, plant and equipment	1.40	3.99
Purchase of other intangibles	(21.90)	(107.92)
Payments to acquire financial assets - mutual funds	(4,699.79)	(12,204.72)
Proceeds from sale of financial assets - mutual funds	6,277.01	10,700.88
Investment in bank deposits (net)	11,128.41	(2,613.34)
Deposits with financial institutions	-	(2,000.00)
Interest received	1,606.04	1,308.17
<b>Net cash flow used in investing activities (B)</b>	<b>12,081.88</b>	<b>(10,026.21)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the exercise of employee stock option	214.96	385.52
Repayment of long-term borrowings	(1.12)	(1.36)
Payment towards interest portion of lease liabilities	(0.61)	(0.76)
Payment towards principal portion of lease liabilities	(1.78)	(1.16)
Interest paid	(62.26)	(33.26)
<b>Net cash flows from financing activities (C)</b>	<b>149.19</b>	<b>348.98</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15,870.75</b>	<b>(1,769.54)</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	30.00	33.11
Cash and cash equivalents at the beginning of the year	3,188.20	4,924.63
<b>Cash and cash equivalents at the end of the year</b>	<b>19,088.95</b>	<b>3,188.20</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	0.16
With banks in current account	5,461.82	2,528.04
With banks in deposit account	13,627.00	660.00
<b>Total cash and cash equivalents</b>	<b>19,088.95</b>	<b>3,188.20</b>



**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Gland Pharma Limited

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Gland Pharma Limited (the "Company") for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

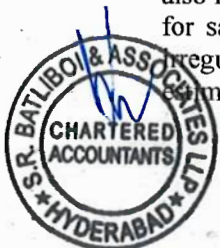
- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate



internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia

Partner

Membership No.: 212230



UDIN: 23212230BGSSER1439

Hyderabad

May 18, 2023

**GLAND PHARMA LIMITED**

Corporate Identity Number: L24239TG1978PLC002276

Registered Office: Sy. No. 143 - 148, 150 and 151, Near Gandhi Maisamma 'X' Roads, D.P. Pally, Dundigal

Dundigal - Gandhi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India

Tel: +91 84556 99999; Website: www.glandpharma.com; E-mail: investors@glandpharma.com

**Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2023**

(₹ in million)

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Income</b>					
Revenue from operations	7,854.22	9,258.99	11,030.14	36,165.28	44,007.08
Other income	389.39	615.09	652.34	2,404.64	2,239.40
<b>Total income</b>	<b>8,243.61</b>	<b>9,874.08</b>	<b>11,682.48</b>	<b>38,569.92</b>	<b>46,246.48</b>
<b>2. Expenses</b>					
Cost of materials consumed	4,383.77	4,331.95	6,029.51	17,167.51	20,468.62
Purchases of traded goods	31.57	39.00	88.09	155.93	256.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(766.93)	(158.54)	(664.68)	(469.17)	366.90
Power and fuel	295.11	292.04	251.25	1,248.37	950.54
Employee benefits expense	1,000.24	1,005.21	942.46	3,997.01	3,385.66
Depreciation and amortisation expense	375.42	376.11	310.75	1,467.36	1,102.96
Finance expense	21.81	26.16	20.32	74.14	52.40
Other expenses	1,218.93	909.75	899.20	3,880.14	3,472.32
<b>Total expenses</b>	<b>6,559.92</b>	<b>6,821.68</b>	<b>7,876.90</b>	<b>27,521.29</b>	<b>30,056.05</b>
<b>3. Profit before exceptional items and tax (1-2)</b>	<b>1,683.69</b>	<b>3,052.40</b>	<b>3,805.58</b>	<b>11,048.63</b>	<b>16,190.43</b>
4. Exceptional item (refer note 4)	564.61	-	-	564.61	-
<b>5. Profit before tax (3-4)</b>	<b>1,119.08</b>	<b>3,052.40</b>	<b>3,805.58</b>	<b>10,484.02</b>	<b>16,190.43</b>
<b>6. Tax expense</b>					
Current tax	440.19	760.84	884.68	2,761.94	3,958.83
Deferred tax	(104.98)	16.20	93.23	(27.99)	140.08
Taxes for earlier years	(8.19)	-	(32.09)	(8.19)	(30.03)
<b>Total tax expense</b>	<b>327.02</b>	<b>777.04</b>	<b>945.82</b>	<b>2,725.76</b>	<b>4,068.88</b>
<b>7. Profit for the period/year (5-6)</b>	<b>792.06</b>	<b>2,275.36</b>	<b>2,859.76</b>	<b>7,758.26</b>	<b>12,121.55</b>
<b>8. Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Re-measurement loss/(gain) on employee defined benefit plans	59.87	(9.92)	2.61	30.10	5.14
Deferred tax impact on remeasurement of defined benefit plans	(15.07)	2.50	(0.65)	(7.58)	(1.29)
<b>Total other comprehensive (income) / loss (net of tax)</b>	<b>44.80</b>	<b>(7.42)</b>	<b>1.96</b>	<b>22.52</b>	<b>3.85</b>
<b>9. Total comprehensive income (after taxes) (7-8)</b>	<b>747.26</b>	<b>2,282.78</b>	<b>2,857.80</b>	<b>7,735.74</b>	<b>12,117.70</b>
<b>10. Paid up equity share capital (Face value of ₹1/- each)</b>	<b>164.70</b>	<b>164.69</b>	<b>164.30</b>	<b>164.70</b>	<b>164.30</b>
11. Other equity				79,368.28	71,417.98
<b>12. Earnings per equity share (Face value of ₹1/- each):</b>					
<i>(Not annualised for the quarter)</i>					
Basic (₹)	4.81	13.82	17.41	47.12	73.84
Diluted (₹)	4.81	13.81	17.36	47.11	73.67



Notes:

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, this Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2023 ("Audited Standalone Financial Results") of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 18, 2023. The statutory auditors have expressed an unmodified opinion on the standalone financial results.
2. The Audited Standalone Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended (the "Listing requirements").
3. The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the end of the third quarter of the relevant financial year, which were subjected to a limited review.
4. Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹564.61 Mn. has been recorded as a provision for credit impaired financial assets during the quarter ended March 31, 2023. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.
5. The Company, through its wholly owned subsidiary ("Gland Pharma International Pte. Ltd." or 'Gland Singapore'), has entered into a Put option agreement on November 29, 2022 to acquire 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as "Cenexi") and 3 holding companies of Cenexi and entered into a Share Purchase Agreement ('SPA') on January 06, 2023.  
Subsequent to the balance sheet date, on satisfaction of customary closing conditions and receipt of the necessary regulatory approvals, Gland Singapore has paid an amount of EUR 114.26 Mn (after adjustments as per the terms and conditions of SPA) and refinanced the outstanding existing loan of EUR 79.46 Mn for the acquisition on April 27, 2023. Accordingly, no effect for the same is given in the financial statements.  
Cenexi is in the business of Contract Development and Manufacturing Organisation ("CDMO") with sterile expertise and a track-record in ampoules, PFS and vials, and complex or niche formulations and/or dosage forms with a focus on high potent steriles and solids.
6. The Company operates in one single reportable business segment- "Pharmaceuticals".
7. During the quarter ended March 31, 2023, the Company has allotted 10,600 equity shares of ₹1 each, fully-paid, consequent to the exercise of stock option by the employees of Company under the Gland Pharma Employee Stock Options Scheme, 2019.
8. The Audited Standalone Balance Sheet and Audited Standalone Statement of Cash Flows are set out in *Annexure I* and *Annexure II* respectively.
9. The previous periods/year numbers have been regrouped/rearranged wherever necessary to conform with the current period presentation.
10. The above Audited Standalone Financial Results of the Company are available on the Company's website [www.glandpharma.com](http://www.glandpharma.com) and also on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), where the shares of the Company are listed.



For and on behalf of the Board  
Gland Pharma Limited

*S. Srinivas*

Srinivas Sadu  
Managing Director and CEO  
DIN No. 06900659

Hyderabad  
May 18, 2023

**Audited Standalone Balance Sheet as at March 31, 2023**

**Annexure I**

**(₹ in million)**

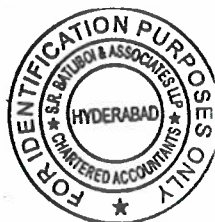
Particulars	As at	As at
	31-Mar-23	31-Mar-22
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,585.01	14,990.92
Capital work-in-progress	1,772.16	1,807.45
Right-of-use assets	3.86	5.66
Other Intangibles	116.61	25.35
Intangible assets under development	-	100.00
Financial assets		
Investments	81.57	81.57
Other financial assets	-	2,000.00
Tax assets (net)	225.22	49.89
Other non-current assets	1,063.98	836.15
	<b>18,848.41</b>	<b>19,896.99</b>
<b>Current assets</b>		
Inventories	19,453.00	11,856.67
Financial assets		
Investments	-	1,548.74
Loans	1.39	4.67
Trade receivables	8,628.39	10,748.05
Cash and cash equivalents	19,052.18	3,111.82
Bank balances other than cash and cash equivalents	18,617.80	27,746.21
Other financial assets	653.95	466.18
Other current assets	2,476.65	2,962.07
	<b>68,883.36</b>	<b>58,444.41</b>
<b>Total Assets</b>	<b>87,731.77</b>	<b>78,341.40</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	164.70	164.30
Other equity	79,368.28	71,417.98
	<b>79,532.98</b>	<b>71,582.28</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	32.61	38.21
Lease liabilities	4.83	6.61
Other financial liabilities	17.33	17.33
Deferred tax liability (net)	842.03	877.60
	<b>896.80</b>	<b>939.75</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	5.60	1.12
Lease liabilities	1.49	1.49
Trade payables		
Total outstanding dues of micro, small and medium enterprises	78.34	62.99
Total outstanding dues of creditors other than micro, small and medium enterprises	5,815.85	4,564.63
Other financial liabilities	163.05	209.05
Provisions	313.18	247.73
Current tax liabilities (net)	-	179.79
Other current liabilities	924.48	552.57
	<b>7,301.99</b>	<b>5,819.37</b>
<b>Total Equity and Liabilities</b>	<b>87,731.77</b>	<b>78,341.40</b>



## Audited Standalone Statement of cash flows for the year ended March 31, 2023

(₹ in million)

Particulars	Year ended	
	31-Mar-23	31-Mar-22
	Audited	Audited
<b>Cash flow from operating activities</b>		
Profit before tax	10,484.02	16,190.43
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	1,467.36	1,102.96
Exceptional item	564.61	-
Allowance for credit losses	-	37.85
Other Assets written off	63.32	-
Bad debts written off	22.04	3.42
Interest expense	62.26	33.26
Finance charges on leases	0.61	0.76
Employee stock option compensation	-	46.21
Unrealised foreign exchange loss/(gain)	15.42	(76.83)
Fair value gain on financial instruments at fair value through profit or loss	-	(15.26)
Profit on disposal of financial assets - mutual funds	(28.48)	(29.63)
Loss on disposal of property, plant and equipment (net)	0.81	1.78
Interest income	(1,794.17)	(1,386.45)
<b>Operating profit before working capital changes</b>	<b>10,857.80</b>	<b>15,908.50</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in receivables	1,525.52	(4,195.70)
(Increase)/Decrease in inventories	(7,596.33)	895.01
Decrease/(Increase) in loans	3.28	(2.13)
Decrease/(Increase) in other assets	358.94	(1,381.09)
Increase in trade payables and other financial liabilities	1,231.33	659.01
Increase in provisions and other liabilities	407.26	94.36
<b>Cash generated from operations</b>	<b>6,787.80</b>	<b>11,977.96</b>
Income tax paid (net of refunds)	(3,108.87)	(4,065.09)
<b>Net cash flow from operating activities (A)</b>	<b>3,678.93</b>	<b>7,912.87</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,209.29)	(5,113.27)
Proceeds from disposal of property, plant and equipment	1.40	3.99
Purchase of other intangibles	(21.90)	(107.92)
Payments to acquire financial assets - mutual funds	(4,699.79)	(12,204.72)
Proceeds from sale of financial assets - mutual funds	6,277.01	10,700.88
Investment in bank deposits (net)	11,128.41	(2,613.34)
Deposits with financial institutions	-	(2,000.00)
Interest received	1,606.40	1,308.17
Investment made in subsidiary	-	(76.08)
<b>Net cash flow used in investing activities (B)</b>	<b>12,082.24</b>	<b>(10,102.29)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the exercise of employee stock option	214.96	385.52
Repayment of long-term borrowings	(1.12)	(1.36)
Payment towards interest portion of lease liabilities	(0.61)	(0.76)
Payment towards principal portion of lease liabilities	(1.78)	(1.16)
Interest paid	(62.26)	(33.26)
<b>Net cash flows from financing activities (C)</b>	<b>149.19</b>	<b>348.98</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15,910.36</b>	<b>(1,840.44)</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	30.00	33.11
Cash and cash equivalents at the beginning of the year	3,111.82	4,919.15
<b>Cash and cash equivalents at the end of the year</b>	<b>19,052.18</b>	<b>3,111.82</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	0.16
With banks in current account	5,425.05	2,451.66
With banks in deposit account	13,627.00	660.00
<b>Total cash and cash equivalents</b>	<b>19,052.18</b>	<b>3,111.82</b>



*Handwritten signature*







## Press Release

### **Gland Pharma's FY23 Revenue stood at ₹ 36,246 Mn with Gross margin of 54%**

**Hyderabad, May 18, 2023:** Gland Pharma Limited (BSE: 543245 | NSE: GLAND), a generic injectable focused pharmaceutical company, today announced its financial results for the fourth quarter and financial year ended March 31, 2023.

*Commenting on the results, Mr. Srinivas Sadu, MD & CEO of Gland Pharma said "We have formally closed the acquisition of Cenexi and welcome it to be a part of the Gland-Fosun family. This is our first overseas acquisition and our move into the next phase of growth and expansion. We made progress on our path to building a Bio-CDMO and signed our first contract for Plasma Protein at our Shamirpet facility. Our full year FY23 revenue stood at ₹ 36,246 Mn, and our full year FY23 PAT stood at ₹ 7,810 Mn in the midst of challenging business environment. As an important milestone we received our first China approval and have also initiated launch of our first product. Our progress on the complex portfolio is in-line with plan and this year we filed a total of 3 complex products during the year. Our priority for the next year shall be seamless integration of Cenexi along with a focus on driving sustainable business growth".*

#### **❖ Financial summary:**

(₹ in million)

Particulars	Q4FY23	Q4FY22	Y-o-Y	Q3FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue from operations	7,850	11,030	(29%)	9,383	(16%)	36,246	44,007	(18%)
EBITDA <sup>(1)</sup>	1,684	3,484	(52%)	2,896	(42%)	10,248	15,102	(32%)
EBITDA Margin (%)	21%	32%		31%		28%	34%	
Exceptional Item <sup>(2)</sup>	565	-		-		565	-	
PBT	1,112	3,805	(71%)	3,109	(64%)	10,546	16,186	(35%)
PBT Margin (%)	14%	34%		33%		29%	37%	
PAT	787	2,859	(72%)	2,319	(66%)	7,810	12,117	(36%)
PAT Margin (%)	10%	26%		25%		22%	28%	

<sup>(1)</sup> EBITDA = Profit before tax plus exceptional items plus finance expense plus depreciation and amortisation expense minus other income.

<sup>(2)</sup> Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹564.61 Mn. has been recorded as a provision for credit impaired financial assets during the quarter ended March 31, 2023. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.

- Revenue from operations for the fiscal 2023, declined by 18% as compared to the previous year due to:
  - Inventory rationalization across customers in the US market
  - High price pressure with increased competition impacting revenue and margins.
  - Higher base of last year due to COVID related products sale.



- Revenue from operations during the quarter has declined by 29% as compared to corresponding quarter of the previous year due to (Q4FY23 vs Q4FY22):
  - Production line shut down in Q4FY23 in Pashamylaram Penems facility due to line upgradation.
  - Reduced business from domestic B2C division during the year as compared to previous year.
- Revenue from operations during the quarter has declined by 16% as compared to previous quarter of current year due to (Q4FY23 vs Q3FY23):
  - Softer off-take in ROW market due to tender seasonality.
  - Penem production line shut down as part of capacity expansion plan.
- Gross Margin of the Company remained stable during the quarter as compared to same quarter previous year. Gross Margin has improved for the year as compared to the previous financial year largely due to favourable Geography mix.

❖ **Marketwise Revenue:**

(₹ in million)

Particulars	Q4FY23	Q4FY22	Y-o-Y	Q3FY23	Q-o-Q	FY23	FY22	Y-o-Y
USA, Europe, Canada, Australia, and New Zealand ( <i>Core Markets</i> )	5,498	7,110	(23%)	6,632	(17%)	26,851	29,248	(8%)
India	647	2,018	(68%)	809	(20%)	2,501	6,278	(60%)
Rest of the world	1,705	1,902	(10%)	1,942	(12%)	6,894	8,481	(19%)
<b>TOTAL</b>	<b>7,850</b>	<b>11,030</b>	<b>(29%)</b>	<b>9,383</b>	<b>(16%)</b>	<b>36,246</b>	<b>44,007</b>	<b>(18%)</b>

Note: - Sales made to Indian customers for the US market has been considered in the US sales.

- Core markets of US, Europe, Canada, Australia, and New Zealand accounted for 70% of revenue during Q4FY23.
- Sale to US market is comprising of products sold to both US customers and Indian customers for US markets. For Q4FY23 direct sale to US customers ₹ 4,233 million and to Indian customers for US markets was ₹ 578 million, totalling ₹ 4,808 million.
- During the quarter the Company has Launched 10 product SKUs.
- Rest of the World markets, accounted for 22% of Q4FY23 revenue for the quarter.
- India market accounts for 8% in Q4FY23 revenue. It witnessed decline in business due to higher base of COVID related sales in previous year and less Insulin business.

❖ **EBITDA and EBITDA Margin:**

- The Company have reported an EBITDA of ₹ 10,248 million in FY23, as compared to ₹ 15,102 million for the previous financial year, a decrease of 32%.
- Energy cost increased by 31% as compared to previous year due to higher fuel and electricity prices.
- Employee cost has increased by 19% as compared to previous year largely due to additional headcount to support the new production lines in Pashamylaram plant and the Bio CDMO facility in Shamirpet.
- Other Expenses increased by 11% as compared to previous year due to various professional fees paid for M&A related activities.

❖ **Research and Development:**

- The total R&D expense for Q4FY23 was ₹ 678 million which is 8.6% of revenue. During the year financial year, the Company has incurred ₹ 2,014 million in R&D which is 5.6% of revenue.
- During Q4FY23, the Company has filed 9 ANDAs, and received 7 ANDA approvals.
- As on March 31, 2023, we along with our partners has 334 ANDA filings in the United States, of which 263 were approved and 71 pending approvals.

❖ **Capex:**

- Total Capex incurred during the quarter was ₹ 977 million and was ₹ 2,230 million during financial year.
- The Company is adding new capabilities of Combi-line for Microsphere, additional Bag line and lyos for the Penem block in Pashamylaram facility in Hyderabad.
- The Company will be earmarking capital for further building on its Bio-CDMO business.



### **Earnings Call details:**

- The Company will conduct an Earnings call at 6.30 PM (IST) on May 18<sup>th</sup>, 2023, to discuss the business performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time.

Universal Access	+91 22 6280 1516 / +91 22 7115 8875
Diamond pass link	Click <a href="#">here</a> to register
National Toll Free	1 800 120 1221
International Toll-Free Number	USA – 18667462133 UK – 08081011573 Singapore – 8001012045 Hong Kong – 800964448

### **About Gland Pharma Limited (BSE: 543245, NSE: GLAND)**

Gland Pharma was established in 1978 in Hyderabad, has grown over the years from a contract manufacturer of small volume liquid parenteral products, to become one of the largest and fastest growing injectable-focused companies, with a global footprint across 60 countries, including the United States, Europe, Canada, Australia, India, and other markets. It operates primarily under a business to business (B2B) model and have an excellent track record in the development, manufacturing, and marketing of sterile injectables. It has a wide range of injectables, including vials, ampoules, pre-filled syringes, lyophilized vials, dry powders, infusions, oncology, and ophthalmic solutions and also enjoys the distinction of having pioneered Heparin technology in India. For more information, log on to: [www.glandpharma.com](http://www.glandpharma.com)

### **Contacts:**

**Sampath Kumar Pallerlamudi**  
Company Secretary and Compliance Officer  
[investors@glandpharma.com](mailto:investors@glandpharma.com)

**Sumanta Bajpayee**  
Vice President – Finance & Investor Relations  
[sumanta.bajpayee@glandpharma.com](mailto:sumanta.bajpayee@glandpharma.com)

*This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Gland Pharma Limited, its directors and any of the affiliates or employee is under no obligation to, and expressly assume any obligation to update any particular forward-looking statement contained in this release.*



GLAND PHARMA LIMITED

# Gland Pharma Limited

Financial Results  
Q4'FY23 & FY23

18<sup>th</sup> May 2023



# Safe Harbor Statement

---

The Presentation is to provide the general background information about the Company's activities as at the date of the Presentation. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares.

This presentation may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India and any other country, ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

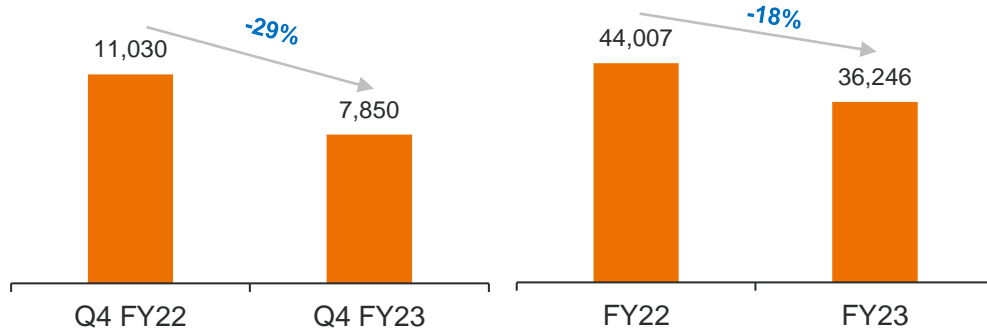
No part of this presentation may be reproduced, quoted or circulated without prior written approval from Gland Pharma Limited.

# Financial Highlights (1/3)

## Strengthening our core amid challenges

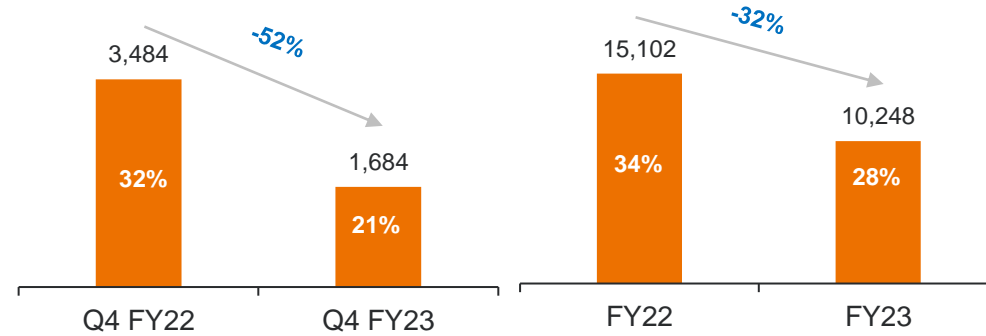
### Revenue from Operations

(INR Mn)



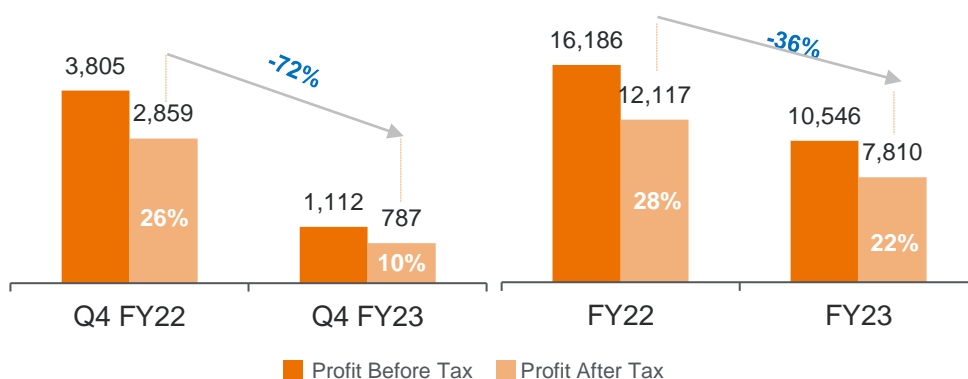
### EBITDA <sup>(1)</sup> / EBITDA Margin <sup>(2)</sup>

(INR Mn / %)



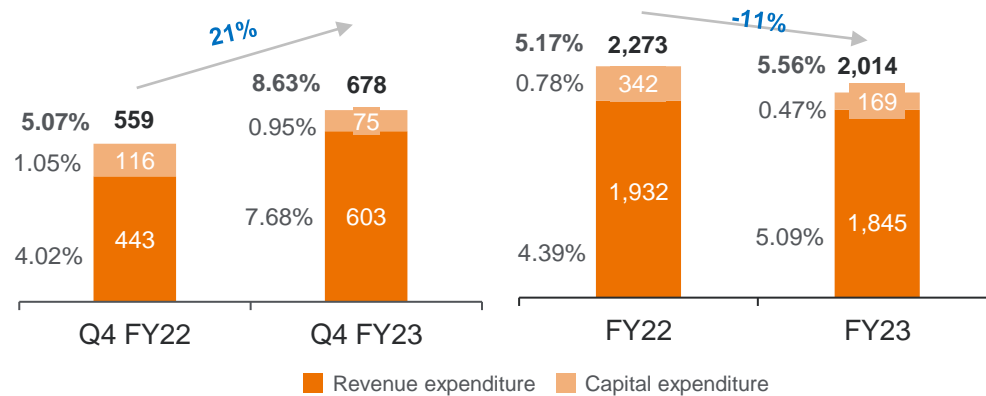
### PBT / PAT / PAT Margin <sup>(3)</sup>

(INR Mn / %)



### R&D Expenses / (R&D % of Revenue)

(INR Mn / %)



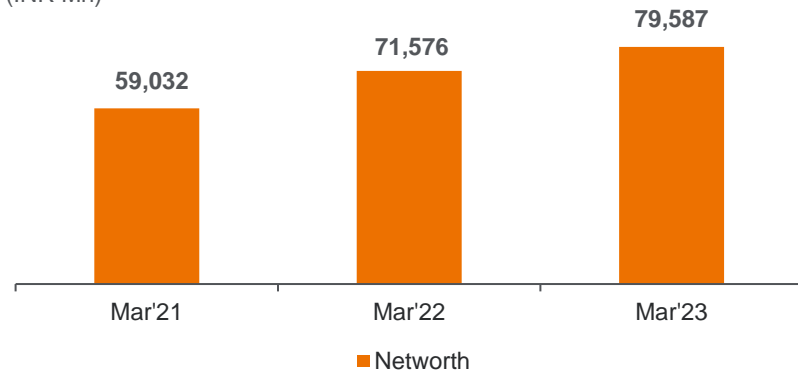
Note: (1) EBITDA= Profit before tax plus exceptional items plus finance expense plus depreciation and amortization expense minus other income; (2) EBITDA margin = EBITDA / Revenue from operations; (3) PAT margin = Profit for the period / Revenue from operations.

# Financial Highlights (2/3)

## Strong Balance Sheet to support future growth plans

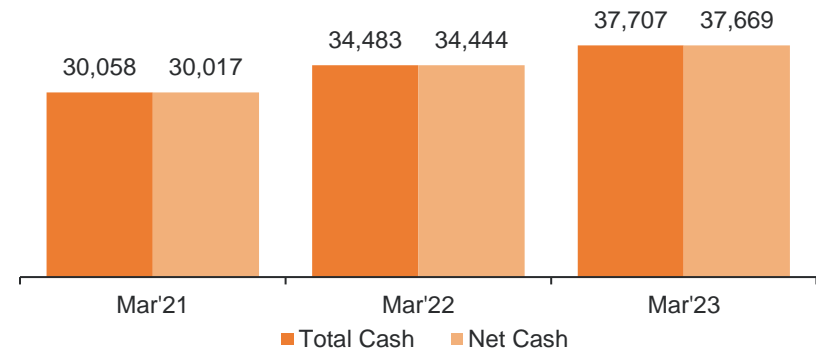
### Net Worth <sup>(1)</sup>

(INR Mn)



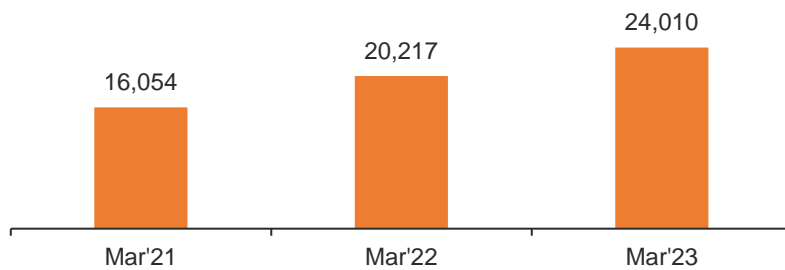
### Cash and Bank Balances / Net Cash <sup>(2)</sup>

(INR Mn)



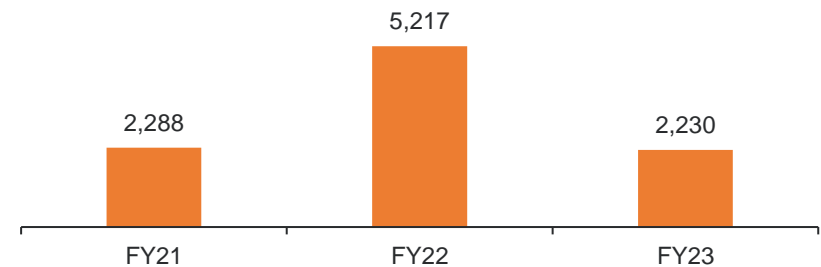
### Net Working Capital <sup>(3)</sup>

(INR Mn)



### Capital Expenditure

(INR Mn)



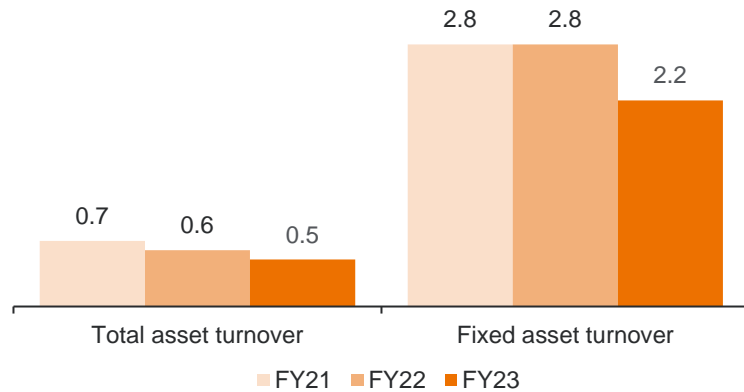
Note: (1) Net Worth refers to sum of equity share capital and other equity. (2) Net Cash refers to Cash, Investments in Debt Mutual Funds, Deposits with Financial Institutions and Bank Balances less Non-current borrowings (including current maturities). (3) Net Working Capital refers to Current assets (excluding cash and bank balances) less Current liabilities.



# Financial Highlights (3/3)

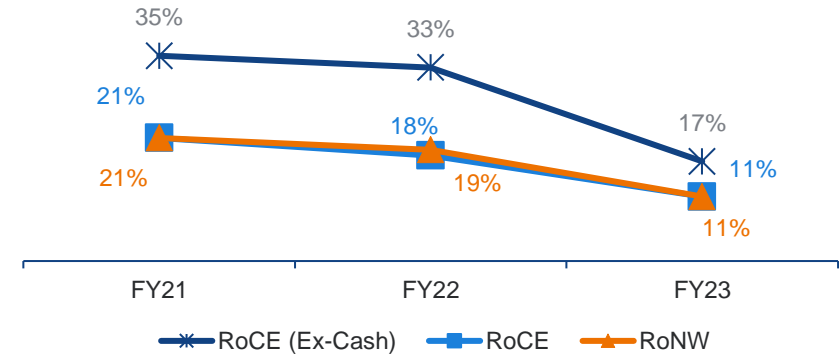
## Focus on Capital efficiency

### Asset Turnover Ratio <sup>(1)(2)</sup>



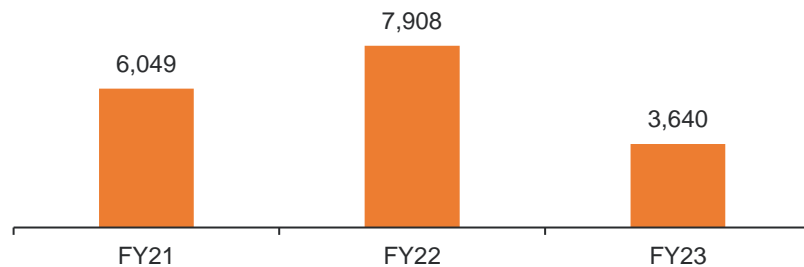
### ROCE (ex-cash)<sup>(3)</sup> / ROCE <sup>(4)</sup> / RONW <sup>(5)</sup>

(%)



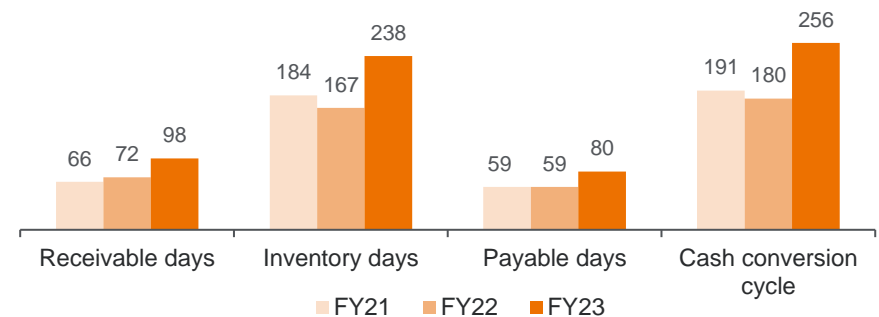
### Cash Flow from Operations

(INR Mn)



### Cash Conversion Cycle (CCC) <sup>(6)(7)</sup>

(# of Days)



Note: (1) Asset Turnover is calculated as Revenue from operations for the period divided by average total assets for the period; (2) Fixed Asset Turnover is calculated as Revenue from operations for the period divided by average total fixed assets for the period (Property, plant and equipment + Right-of-use assets + Capital work in progress); (3) ROCE (ex cash) = (EBIT – Taxes + tax impact on exceptional item)/Average Capital Employed for the period. Capital Employed represents Total Assets (excluding Cash and Bank balances) – Current Liabilities (4) Return on Capital Employed (ROCE) = (EBIT – Taxes + tax impact on exceptional item)/ Average Capital Employed for the period. Capital Employed represents Total Assets – Current Liabilities; (5) Return on Net Worth (RONW) = Profit for the period before exceptional item net of taxes / Average Net Worth for the period. Net Worth represents sum of equity share capital and other equity; (6) COGS mean cost of goods sold includes cost of materials consumed, purchases of traded goods, change in inventories of finished goods, traded goods and work-in-progress and manufacturing overheads; (7) Receivable days calculated as average trade receivables for the period divided by revenue from operations \* over 365 days (as applicable), Inventory days calculated as average inventory for the period divided by COGS\* over 365 days (as applicable), & Payable days calculated as average trade payable for the period divided by COGS\* over 365 days (as applicable). CCC calculated as Receivable days + Inventory days - Payable days;

# P&L Highlights

(INR Mn)

Particulars	Q4 FY23	Q4 FY22	YoY change	FY23	FY22	YoY change	Q3 FY23
<b>Revenue from operations</b>	<b>7,850</b>	<b>11,030</b>	-29%	<b>36,246</b>	<b>44,007</b>	-18%	<b>9,383</b>
<b>Gross Margin<sup>(1)</sup></b>	<b>4,202</b>	<b>5,577</b>	-25%	<b>19,392</b>	<b>22,915</b>	-15%	<b>5,112</b>
<i>% margin</i>	54%	51%		54%	52%		54%
<b>EBITDA<sup>(2)</sup></b>	<b>1,684</b>	<b>3,484</b>	-52%	<b>10,248</b>	<b>15,102</b>	-32%	<b>2,896</b>
<i>% margin<sup>(3)</sup></i>	21%	32%		28%	34%		31%
Exceptional items	<b>-565</b>	-		<b>-565</b>	-		-
<b>PBT</b>	<b>1,112</b>	<b>3,805</b>	-71%	<b>10,546</b>	<b>16,186</b>	-35%	<b>3,109</b>
<i>% margin</i>	14%	34%		29%	37%		33%
<b>PAT</b>	<b>787</b>	<b>2,859</b>	-72%	<b>7,810</b>	<b>12,117</b>	-36%	<b>2,319</b>
<i>% margin<sup>(4)</sup></i>	10%	26%		22%	28%		25%

Note: (1) Gross Margin = Revenue from Operations – Materials consumed; (2) EBITDA stands for earnings before interest, taxes, depreciation and amortization which has been arrived at by adding finance expense, depreciation expense and total tax expense to the profit for the period; (3) EBITDA margin = EBITDA / Revenue from operations; (4) PAT margin = Profit for the period / Revenue from operations

# Quarterly and Full year performance key points

- **Revenue from operations for the fiscal 2023, declined by 18% as compared to the previous year due to:**
  - Inventory rationalization across customers in the US market
  - Higher pricing pressure with increased competition impacting revenue and margins
  - Higher base of last year due to COVID related products sale
  - Production line shut down at Dundigal facility for Insulin line due to line upgradation
  - Less revenue contribution from new product launches during the year
- **Revenue from operations during the quarter has declined by 29% as compared to corresponding quarter of the previous year due to (Q4FY23 vs Q4FY22):**
  - Production line shut down in Q4FY23 in Pashamylaram Penems facility due to line upgradation
  - Reduced business from domestic B2C division during the year as compared to previous year
- **Revenue from operations during the quarter has declined by 16% as compared to previous quarter of the current year due to (Q4FY23 vs Q3FY23):**
  - Softer off-take in RoW market due to tender seasonality
  - Penem Production line shut down

# Completed Acquisition of Cenexi

Gland, through its wholly owned subsidiary, Gland Singapore, has paid an amount of EUR 114.26 Mn and refinanced the outstanding existing loan of EUR 79.46 Mn to complete the acquisition of Cenexi on April 27, 2023.

## Cenexi : Business Overview

- Founded in 2004, as carved-out from Roche, Cenexi is a CDMO with deep sterile expertise and track-record in ampoules, PFS and vials, and complex or niche formulations with a focus on high potent steriles and solids
- Revenue of EUR 184 Mn and EBITDA of EUR 23 Mn in CY21; Revenue of EUR 192 Mn and EBITDA of EUR 26 Mn in CY22 with presence across 4 FDA approved manufacturing sites in Europe (3 in France and 1 in Belgium)
- ~ 70% of business is currently from sterile and injectable products which is expected to grow further which increases to ~90% contribution from injectables in next 3 years
- Significant expertise in processing specific substances including hormones, controlled substances and oncology
- Employee strength of 1,345 including 1,225 employees across 4 sites and 120 employees for services

## Strategic Objective

- Expand our CDMO offerings in the European market, an addressable CDMO opportunity of ~EUR 4 Bn
- In line with our strategic roadmap of building a European manufacturing presence in sterile injectables
- Access to niche technologies (Needleless Injectors, Ophthalmic Gel, Ointments and Creams)
- Increased customer base in EU including customers in biologics area
- Establish our presence into the branded CDMO space in the future

# USA, Europe, Canada, Australia and New Zealand (Core Markets)

## Revenue:

We are constantly working on improving material availability and resolving any production delays. Strategic shift at some of our customers has impacted revenues.

## New launches<sup>(2)</sup>:

Q4 FY23: 10 Product SKUs (5 molecules)

FY23: 35 Product SKUs (18 molecules)

## US filings update:

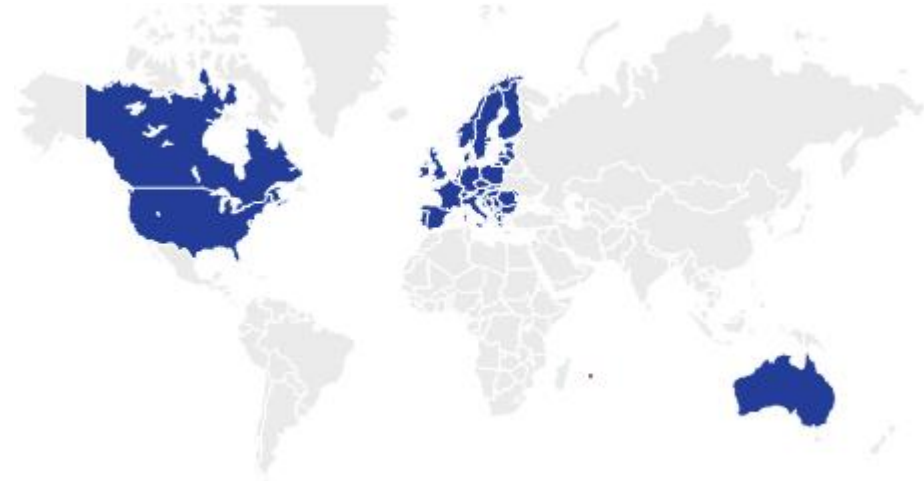
As of Mar 31, 2023, we along with our partners had 334 ANDA filings in the United States, of which 263 were approved and 71 pending approval.

	Q4 FY23	FY23
ANDA Filed	9	29
ANDA Approved <sup>(3)</sup>	7	28
DMFs Filed	6	9

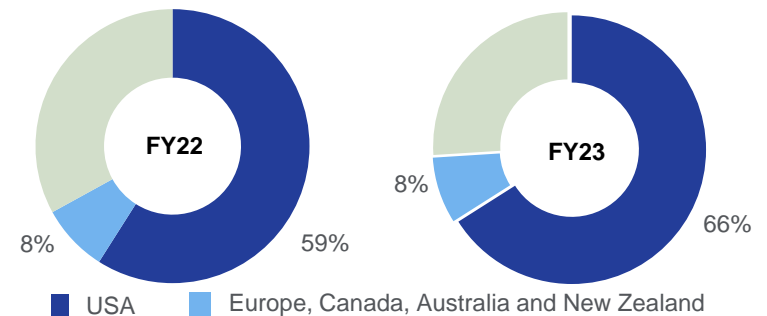
FY23: Rs. 26,851 Mn  
YoY Growth: -8%

Q4 FY23: Rs. 5,498 Mn  
YoY Growth: -23%

## Core Markets<sup>(1)</sup>



## Revenue Contribution



Note: ANDA count includes technology transfer ANDAs

(1) Core markets includes USA, Europe, Canada, Australia and New Zealand ; (2) Includes products where launch quantity is dispatched to our partners; (3) Includes final approval received for 1 ANDA which was earlier tentatively approved

# Rest of the World Markets

- Our key markets by revenue contribution continue to remain MENA, LatAm and APAC.
- Enoxaparin Sodium was a key revenue contributor during the year along with other products like Heparin Sodium, Rocuronium Bromide and Dexmedetomidine.
- We registered Dexrazoxane, Tranexamic Acid and Azithromycin in new geographies during the Q4 FY23.
- We maintained healthy inventory of raw materials and packing materials to be able to cater to the demand.

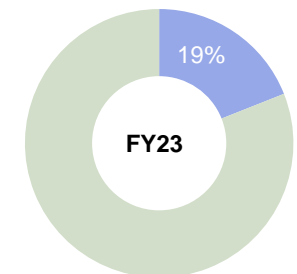
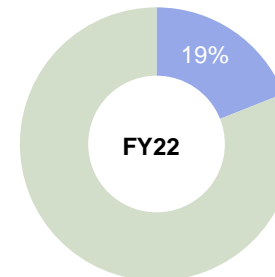
**FY23: Rs. 6,894 Mn**  
**YoY Growth: -19%**

**Q4 FY23: Rs. 1,705 Mn**  
**YoY Growth: -10%**

## Rest of the World Markets



## Revenue Contribution



# India (Domestic Market)

- The India sales stood at 8% of our revenue for Q4 FY23 as compared to 18% in Q4 FY22.
- For the full year FY23, the revenue contribution stood at 7% as compared to 14% in FY22.
- Impact from normalizing of COVID related sales in the Indian market.

**FY23: Rs. 2,501 Mn**

**YoY Growth: -60%**

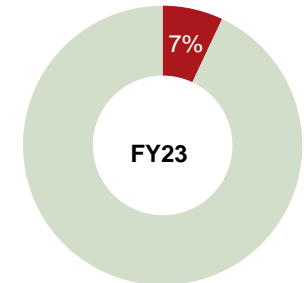
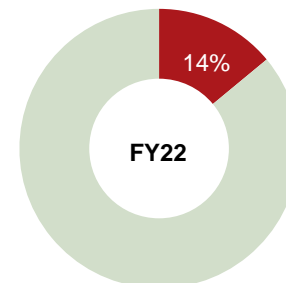
**Q4 FY23: Rs. 647 Mn**

**YoY Growth: -68%**

## India (Domestic Market)

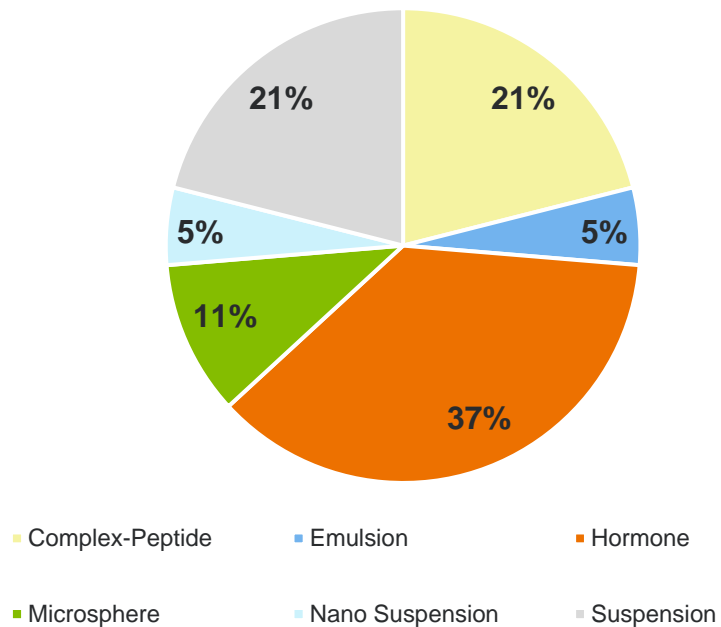


## Revenue Contribution



# Building complex injectable presence

USA Market Size ( ~ USD 10 Bn)



## In-house capabilities

- Complex molecules manufacturing infrastructure – Suite 5 with capability to handle Hormones /suspensions is operational and Suite 9 with microsphere(Combi-line) capability will be ready during this year
- Collaborate with external development partners to expedite progress and enable knowledge sharing
- Emphasize on in-house supporting API for the pipeline that helps ascertain progress

## Complex injectables pipeline Total Projects FY22 FY23 FY24 FY25+

Complex injectables pipeline	Total Projects	FY22	FY23	FY24	FY25+
Complex-Peptide	4	1			3
Emulsion	1			1	
Hormone	7	3	3	1	
Microsphere	2				2
Nano Suspension	1				1
Suspension	4			2	2
<b>Grand Total</b>	<b>19</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>8</b>

## Inorganic Focus

- Look for proven development capabilities in complex products that can help us navigate the regulatory framework even for our internal pipeline



# Key Focus Areas

Focus on achieving a diverse product mix offering products at various stages of their lifecycle as well as a robust product pipeline



Working towards building **bio-similar / biologics CDMO capabilities** and exploring collaboration opportunities with established bio-similar players



Expanding development and manufacturing capabilities in **complex injectables** such as peptides, long-acting injectables, suspensions and hormonal products



**Geographic expansion** in to emerging markets to diversify revenue base while maintaining healthy profitability



State-of-the-art Facilities



Strong Quality Assurance & Quality Control



Economies of Scale



Vertically Integrated



Diversified Product Portfolio



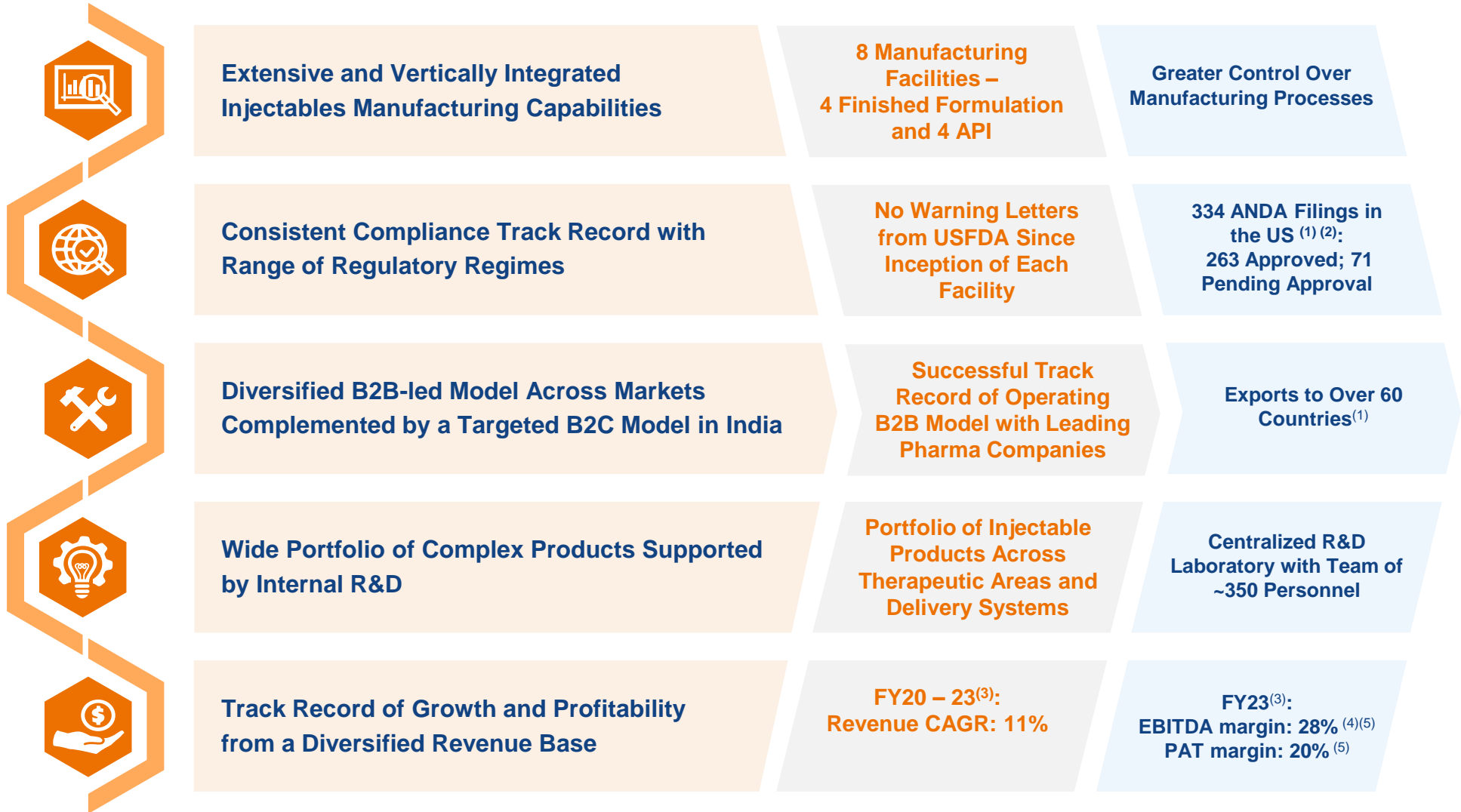
Compliance Track Record



GLAND PHARMA LIMITED

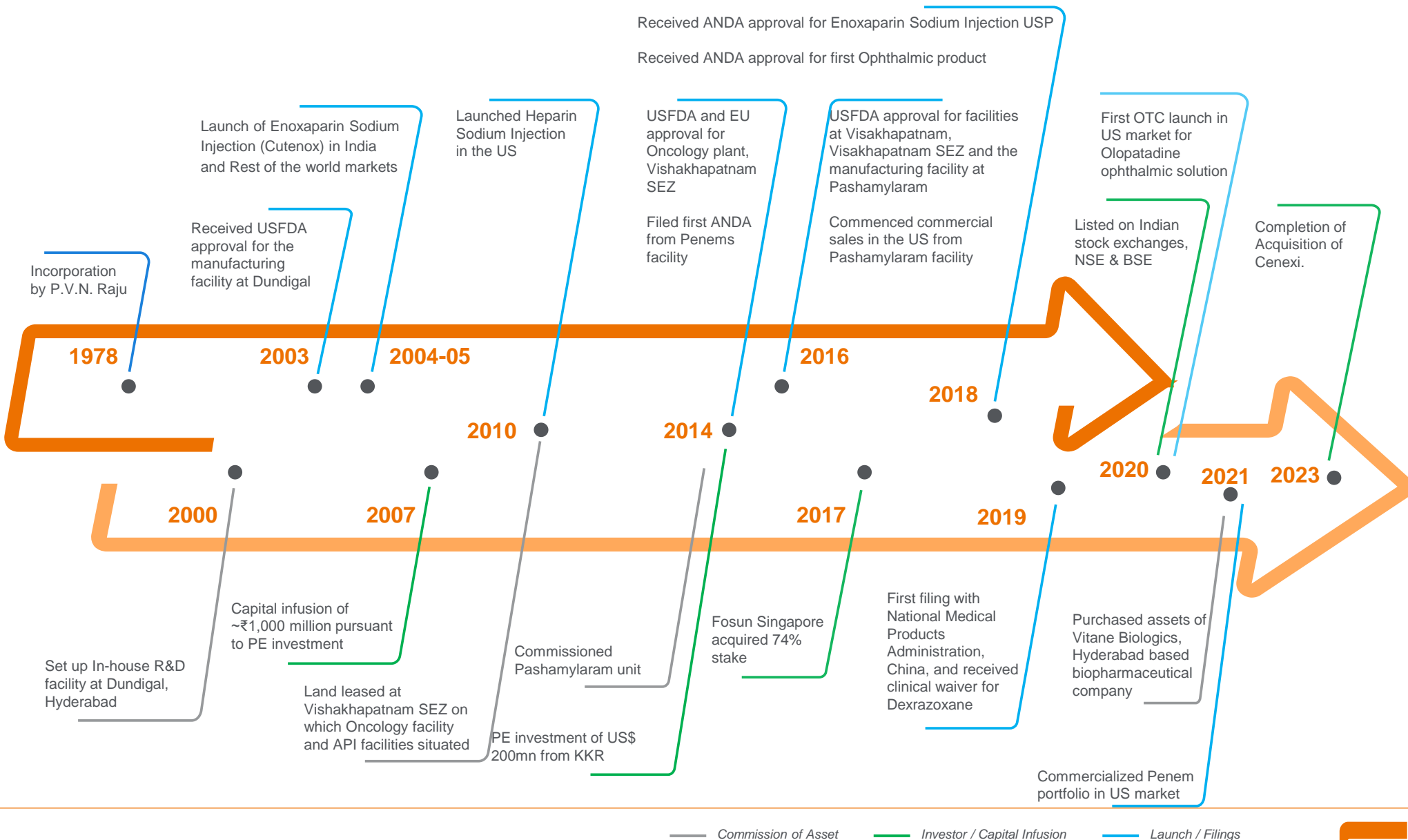
# Investor Presentation





Note: (1) As of March 31, 2023; (2) Filed by Gland Pharma, along with partners; (3) Based on Financial Information prepared in accordance with Ind AS; (4) EBITDA= Profit before tax plus exceptional items plus finance expense plus depreciation and amortization expense minus other income; (5) EBITDA margin = EBITDA / Revenue from operations; (6) PAT margin = Profit for the period / Revenue from operations.

# Our Journey



# Business Overview

## Extensive and Vertically Integrated Manufacturing Capabilities With Consistent Compliance Track Record

**8** Facilities



**4** Finished  
Formulation Facilities  
~ 1,000 million units

&

**4** API Facilities  
11,000 kg / year,  
R&D Pilot Plant and Biotech  
Drug Substance Facility

API facilities provide in-house manufacturing capabilities for critical APIs, thereby

- Controlling costs and quality, and
- Mitigating supply chain related risks around key product

### Dundigal, Hyderabad

- Sterile Injectables Facility (Flagship)
- API Facility

### Pashamylaram, Hyderabad

- Sterile Injectables Facility
- Penems Facility

### Vishakhapatnam

- Oncology Facility
- 2 API Facilities

### Genome Valley, Hyderabad

- Biotech Drug Substance Facility

### Consistent Compliance Track Record

- **No USFDA warnings letters** since inception of each facility
- **Certified as GMP compliant at all manufacturing facilities by the USFDA**
- Certain facilities certified by the **MHRA (UK), ANVISA (Brazil), AGES (Austria), TGA (Australia) and BGV Hamburg (Germany)**

### Quality Assurance and Quality Control

- **Team of 1,564 full-time employees**, 32.91% of total employees<sup>(1)</sup>
- Regular quality management reviews
- **40+ audits per year on average**, including customer audits and regulatory agency audits
- GMP certifications for facilities

Note: (1) As of March 31, 2023.

# Business Overview (Cont'd)

## Diversified B2B-led Model Across Markets Complemented by B2C Model in India

- **Operating in 60+ countries** as of March 31, 2023
- Successful track record of **operating B2B model with leading companies**, complemented by a B2C model in home market of India leveraging brand strength and sales network

	B2B (Global)			B2C (India)	
	B2B – IP Led		B2B Tech Transfer	B2B CMO	B2C
	Own Filing	Partner Filing			
Overview	<ul style="list-style-type: none"> <li>• Out-license to Marketing partners</li> <li>• Long term product supply contracts</li> </ul>		<ul style="list-style-type: none"> <li>• Co-development with Partner</li> <li>• Manufacturing by Gland</li> </ul>	<ul style="list-style-type: none"> <li>• Fill and finish service</li> <li>• Loan and license agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Direct marketing of products</li> </ul>
Revenue Model	<ul style="list-style-type: none"> <li>• License and milestone payments</li> <li>• Selling price per unit dose + Profit Share</li> </ul>		<ul style="list-style-type: none"> <li>• Tech transfer fee</li> <li>• Selling price per unit dose + Royalty</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed per unit price</li> </ul>	<ul style="list-style-type: none"> <li>• Direct sale of products</li> </ul>
ANDA Ownership <sup>(1)</sup>	✓	✗	✗	✗	✓
IP Ownership <sup>(1)</sup>	✓	Co-owned	✗	✗	✓

### Advantages of B2B models

Grow market share while reducing the marketing investments

Leverage reputation of marketing partners

Build reputation as a complex injectables manufacturer with compliance record

Drive profitability with higher capacity utilization

Note: (1) Reflects typical features of such business models in regulated markets.

# Business Overview (Cont'd)

## Extensive Portfolio of Complex Products

Present in sterile injectables, oncology and ophthalmics, and focus on complex injectables, NCE-1s, First-to-File products and 505(b)(2) filings

### Delivery Systems:

- Liquid vials
- Lyophilized vials
- Pre-filled syringes
- Ampoules
- Bags
- Drops

### Therapeutic Areas:

- Anti-diabetic
- Anti-infectives
- Anti-malarials
- Anti-neoplastics (Oncology)
- Blood-related
- Cardiac
- Gastro-intestinal
- Hormones
- Neurological and Central Nervous System
- Ophthalmics and Otologicals
- Pain, neuro-muscular blocking agents & analgesics
- Respiratory
- Vitamins, minerals & nutrients

## Internal R&D & Regulatory Capabilities

**Centralized R&D Laboratory** located at Dundigal, Hyderabad facility, with supporting personnel at each manufacturing facility

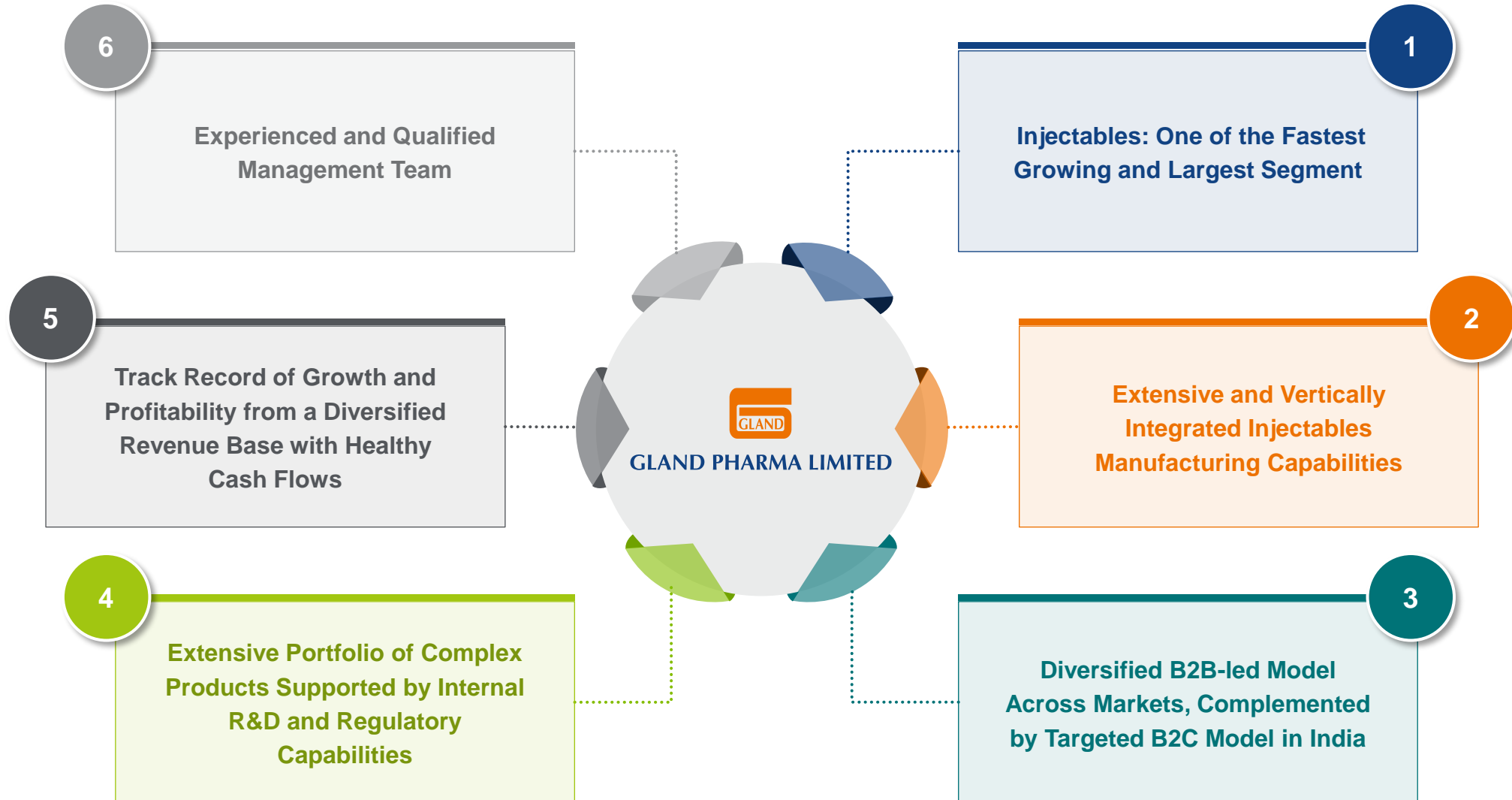
- **~350** personnel team including PhDs, pharmacy post graduates and chemists
- **New R&D building at Pashamylaram**, Hyderabad
- R&D expertise supports regulatory filings globally

### Regulatory Track Record

- 334 ANDA Filings in US – 263 approved; 71 pending <sup>(1)</sup>
  - Of 334, 157 owned by Gland Pharma out of which 113 are approved and 44 are pending for approval
  - 248 for sterile injectables, 53 for oncology and 33 for ophthalmics related products
- 1,601 product registrations globally, of which 455 in United States, Europe, Canada, Australia and New Zealand, 70 in India and 1076 in Rest of the world <sup>(1)</sup>

Note: (1) As of March 31, 2023; refer to ANDA filings by Gland Pharma, along with partners.

# Key Strengths



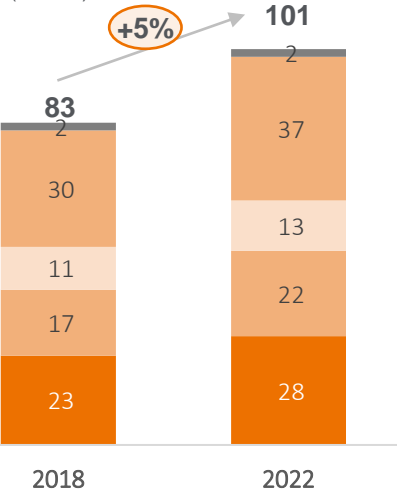


# Generic Injectables: Market & Growth Drivers

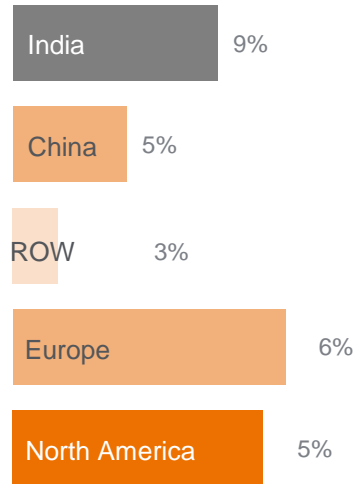
US\$101bn Market with Multiple Growth Levers Driven by LoEs, Opportunity from Shortages and Ease of Use

## Geographic Mix- Generic Injectable

(US\$bn)

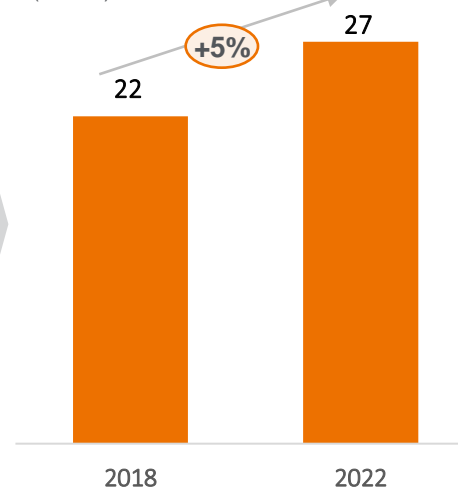


(18-22 CAGR)



## US Generic Injectable market

(US\$bn)



The US Generic Injectable market grew from US\$ 22 Bn in 2018 to **US\$ 27 Bn** in 2022, at a rate of **5%**

Growth drivers for Injectables

### Rising prevalence of chronic diseases

Strong increase in the prevalence of diabetes and other chronic diseases – the treatment of which is primarily administered through injectables

### Convenience and benefits of New Drug Delivery Systems

Strong increase in the prevalence of diabetes and other chronic diseases – the treatment of which is primarily administered through injectables

### New market opportunities

Increasing treatment of new ailments through injectables such as rheumatoid arthritis, multiple sclerosis, cancers and autoimmune disorders

### Growth of biologics

Increased use of biologics due to their ease of handling, less overfills and more safety to patients - increasing demand for the injectable drug delivery devices for these formulations

# Generic Injectables: Market Entry Barriers

2

## Manufacturing Complexities to Meet Stringent Quality Standards

Complexities involving sterilisation, packaging, sterile fill/finish, with stability assessment at each stage, among others

3

## High Level of Compliance and Regulatory Requirements

High level of regulatory enforcement of cGMP standards

1

## Significant Capital Investments

Injectable plants require 1.3x - 1.5x more capex vs oral solids plants due to requirements of sterilisation and/or aseptic manufacturing

4

## Stringent Quality Requirements

c.62% of drugs in shortage are associated with manufacturing or product quality problems



# Consistent Regulatory Compliance Track Record

## Highlights



**No warning letters from USFDA** (whether as a result of facility inspection or otherwise) since inception of each facility



**All facilities Certified GMP compliant by USFDA**, and certain facilities by MHRA (UK), ANVISA (Brazil), AGES (Austria), TGA (Australia) and BGV Hamburg (Germany)



**WHO GMP certifications** from the Drugs Control Administration (Governments of Telangana and Andhra Pradesh, India) (DCA)



**3 ISO certifications** as of March 31, 2023 <sup>(1)</sup>

## Focus on Quality Control



**1,564**

fulltime employees in Quality Control and Quality Assurance <sup>(2)</sup>



**33%**

of the workforce in Quality Control and Quality Assurance <sup>(2)</sup>



**40+**

audits on average per year, including customer audit and regulatory agency audit

## Quality Standards throughout the business units and facilities

### Quality Improvement

Laboratory Information Management System software for quality control at all manufacturing locations

### Corporate Quality Establishment

Corporate reporting structure for identifying and developing standard operating procedures





### Quality Audits

Conduct internal audits across all facilities on a quarterly basis

Note: (1) 3 ISO certifications as of March 31, 2023 for quality management, environment management and occupational health and safety management systems applicable to design, development and production of pharmaceuticals and contract manufacture of small volume parenterals. (2) As of March 31, 2023

# Diversified Business Model with Focus on Growth & Stability

## Diversified B2B-led Model Across Markets, Complemented by a Targeted B2C Model in India

	B2B – IP Led		B2B Tech Transfer	B2B CMO	B2C
	Own Filing	Partner Filing			
<b>Overview</b>	<ul style="list-style-type: none"> <li>Out-license to marketing partners</li> <li>Long term product supply contracts</li> </ul>		<ul style="list-style-type: none"> <li>Co-development with Partner</li> <li>Manufacturing by Gland</li> </ul>	<ul style="list-style-type: none"> <li>Fill and finish service</li> <li>Loan and license agreements</li> </ul>	<ul style="list-style-type: none"> <li>Direct marketing of products</li> </ul>
<b>Revenue Model</b>	<ul style="list-style-type: none"> <li>License and milestone payments</li> <li>Selling price per unit dose + Profit Share</li> </ul>		<ul style="list-style-type: none"> <li>Tech transfer fee</li> <li>Selling price per unit dose + Royalties</li> </ul>	<ul style="list-style-type: none"> <li>Fixed per unit price</li> </ul>	<ul style="list-style-type: none"> <li>Direct sale of products</li> </ul>
<b>ANDA Ownership <sup>(1)</sup></b>	✓	✗	✗	✗	✓
<b>Development <sup>(1)</sup></b>	✓	✓	✓ <sup>(2)</sup>	✗	✓
<b>IP Ownership <sup>(1)</sup></b>	✓	Co-owned	✗	✗	✓
<b>Marketing Rights <sup>(1)</sup></b>	✓	✗	✗	✗	✓
<b>Royalty / Profit Sharing <sup>(1)</sup></b>	✓	✓	✓	✗	Not Applicable
<b>Key Markets</b>					
<b>Select Clients / Partners</b>	<ul style="list-style-type: none"> <li>Global Pharma Companies</li> </ul>			<ul style="list-style-type: none"> <li>Indian Pharma Companies</li> </ul>	<ul style="list-style-type: none"> <li>c.2,000 corporate hospitals, nursing homes &amp; govt. facilities</li> </ul>

Note: (1). Information reflects typical features of the respective business models in regulated markets. (2). Exhibit batches and stability studies are performed by Gland.

# Gland's B2B Model: Salient Features

**Advantages Include Stable Cash Flows, Better Profitability Profile, Margin Stability from Natural Hedge Against Raw Material Pricing and End-formulation Pricing Fluctuations**

## 1 Steady / Predictable Cash Flow

- ✓ Long-term supply contracts with marketing partners ranging from 3-5 years
- ✓ Stronger partnerships due to lack of injectables manufacturers with good regulatory track record
- ✓ Products licensed to marketing partners strong in particular therapeutic areas resulting in higher market share

## 2 Better Operating Profits

- ✓ Efficient cost profile due to relatively lower SG&A vs B2C players

## 3 Economies of Scale

- ✓ Due to differentiated B2B Model, Gland can derive scale benefit at a product as well as formulation level

## 6 Lower R&D Litigation Risks

- ✓ Reduce risk by partnering with a marketing partner to cover R&D litigation expenses

## 5 Lower RM<sup>1</sup> / Formulation Pricing Risk

- ✓ IP-led model helps generate revenue from transfer pricing and profit sharing
- ✓ Revenues and profits through transfer pricing are immune to raw material price fluctuations
- ✓ Transfer pricing also helps regulate any adverse impact from price erosion in end-formulations, as it gets restricted to the profit share component

## 4 Lower Working Capital Requirement

- ✓ Lower requirements due to better inventory management, planned payables and better visibility on receivables



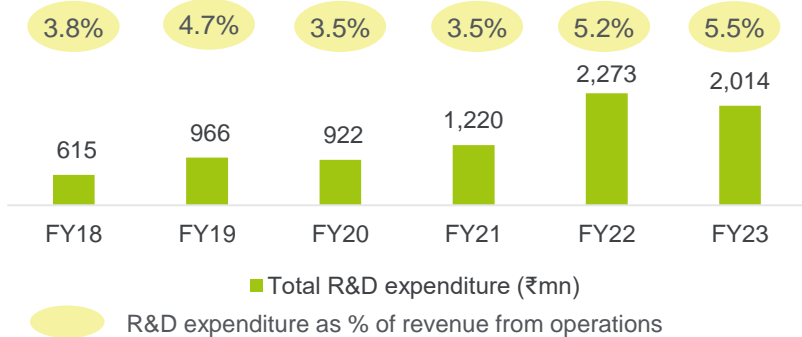
# Complex Product Portfolio Supported by Strong R&D...

## Right Capability Matrix in Products and Delivery Systems

<p><b>Expertise in synthesis of complex drug molecules:</b></p> <ul style="list-style-type: none"> <li>▪ Low Molecular Weight Heparins</li> <li>▪ Steroids</li> <li>▪ Cytotoxics</li> </ul>	<p><b>Present in:</b></p> <ul style="list-style-type: none"> <li>▪ Oncology</li> <li>▪ Ophthalmics and Otologicals</li> <li>▪ Blood-related</li> <li>▪ Neurological and Central Nervous System</li> <li>▪ Pain, neuro-muscular agents and analgesics</li> </ul>	<p><b>Focused on:</b></p> <ul style="list-style-type: none"> <li>▪ Complex injectables</li> <li>▪ NCE-1s</li> <li>▪ First-to-File products</li> <li>▪ 505(b)(2) filings</li> </ul>	<p><b>Expanding capabilities in:</b></p> <ul style="list-style-type: none"> <li>▪ Peptides</li> <li>▪ Long-acting injectables</li> <li>▪ Suspensions</li> <li>▪ Hormonal products</li> <li>▪ Biosimilar</li> </ul>	<p><b>Expanding in new delivery systems:</b></p> <ul style="list-style-type: none"> <li>▪ Pens</li> <li>▪ Cartridges</li> </ul>	<p><b>Key products include:</b></p> <ul style="list-style-type: none"> <li>▪ Cis-Atracurium Besylate</li> <li>▪ Enoxaparin Sodium</li> <li>▪ Heparin Sodium</li> <li>▪ Rocuronium Bromide</li> </ul>
---	---	--	--	---	--

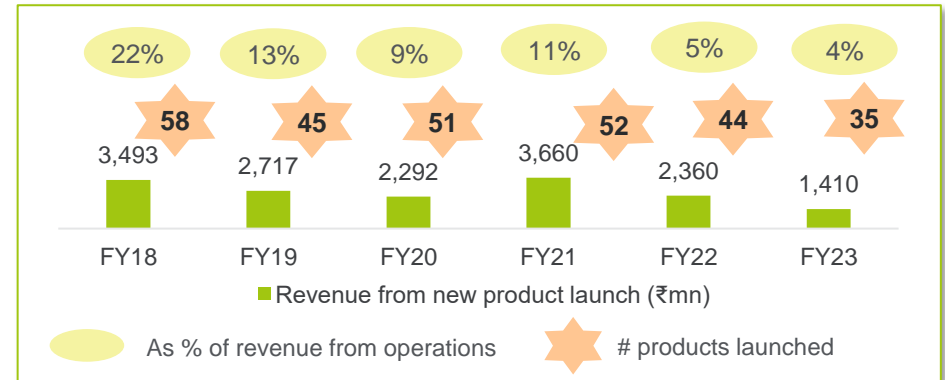
### Significant R&D Investment

Centralized R&D team of c.315 members including PhDs, pharmacy post graduates and chemists



### Translating into Revenue From New Launches

Track record of coming up with new complex products



# ...Supported by Proven Regulatory Capabilities

## Product Development Capabilities Supported by Regulatory Expertise and Track Record in Filing and Approval of Large Number of Product Registrations

### Established Expertise

#### Broad Range of Filings

- Different jurisdictions
- Diverse dosage forms
- ANDA filings for sterile injectables (**248**), oncology (**53**), ophthalmic (**33**)

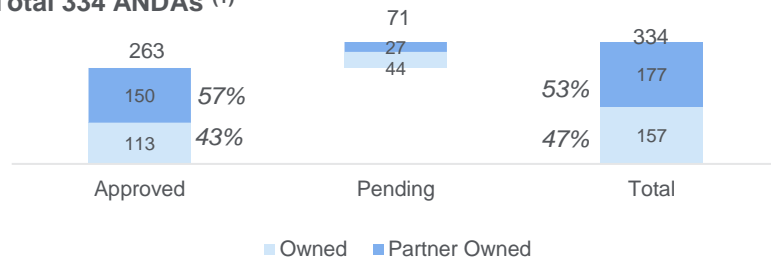
#### Supportive filings to drive sustainability

- Undertaking CBE filings for site and line changes
- Timely filing of applications like CBE/PAS for alternate APIs and components

### Successful track record and pipeline

Constantly engaged with regulators including the USFDA

#### Total 334 ANDAs <sup>(1)</sup>



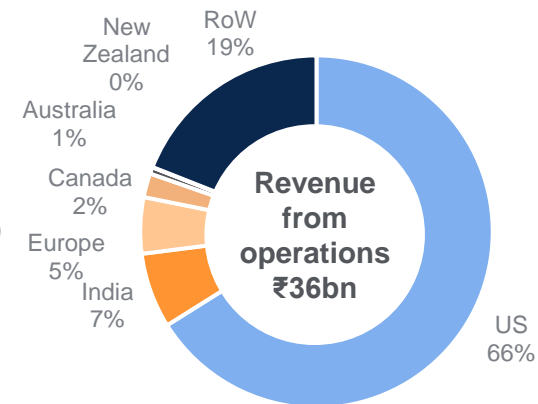
### Global Platform of Approved and Filed Registrations

Extensive experience in regulatory requirements of key markets to facilitate new product registrations

#### Total 1,601 Product Registrations Globally<sup>1</sup>



### Geographic Breakdown (FY23)



Note: (1) Information in relation to the product filings and registration is as on March 31, 2023

# Focus on Lifecycle Management of Products

## Focus on Lifecycle Management of Products Across Manufacturing, R&D and Supply Chain Processes to Maintain Competitive Advantage Over Peers

### Vertical Integration as Differentiator

- Ability to vertically integrate and manufacture critical API which are:
  - **Difficult to source**
  - **Have risk of uncertainty of API supply**
  - **Cost implication**

### Operational Efficiencies

- Ability to **maintain cost competitiveness** via efficient management of production costs including the following among others:
  - **Qualifying additional manufacturing lines/sites**
  - **Batch Size Increase**

### Supply Chain Efficiencies

- Efficient supply chain management with focus on:
  - Curtailing supply chain costs through **optimal inventory levels;**
  - **Economic order quantities**
- **Timely filing of applications** for alternate APIs and components










### R&D

- Continuously work on developing better and economical **analytical methods and efficient manufacturing processes** like Lyo parameters, increased hold times etc.













# Corporate Governance Framework Based on Independent Board

Name	Profile
<b>Board of Directors</b>	
 <p><b>Yiu Kwan Stanley Lau</b> <i>Chairman and Independent Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in pharmacy from The School of Pharmacy, University of London</li> <li>• Director on the board of Solasia Pharma K. K. and TaiLai Bioscience Ltd</li> </ul>
 <p><b>Srinivas Sadu</b> <i>MD and CEO</i></p>	<ul style="list-style-type: none"> <li>• Master's degree in science (industrial pharmacy) from Long Island University, New York</li> <li>• Master's degree in business administration from University of Baltimore;</li> <li>• Post graduate certificate in finance &amp; management from London School of Business &amp; Finance</li> </ul>
 <p><b>Qiyu Chen</b> <i>Non Executive Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in genetics from Fudan University</li> <li>• Master's degree in business administration from China Europe International Business School</li> <li>• Global partner of the Fosun Group</li> </ul>
 <p><b>Yao Fang</b> <i>Non Executive Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Economics from Fudan University</li> <li>• Master's degree in Business Administration from The Chinese University of Hong Kong.</li> <li>• Executive President of Fosun International Limited</li> </ul>
 <p><b>Udo Johannes Vetter</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in science (pharmacy) from the University of Washington</li> <li>• Associated with Vetter / Vetter Pharma group of companies since 1987 and currently, chairman on board of Vetter Pharma (Corporation)</li> </ul>
 <p><b>Essaji Goolam Vahanvati</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in law from Government Law College, Mumbai</li> <li>• Working as independent legal practitioner, practicing in the Supreme Court of India and Delhi High Court</li> </ul>
 <p><b>Satyanarayana Murthy Chavali</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in technology from Indian Institute of Technology, Madras</li> <li>• Post graduate diploma in management from Indian Institute of Management, Bangalore</li> </ul>
 <p><b>Naina Lal Kidwai</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelors degree in Economics from Delhi University and Masters of business administration from Harvard Business School</li> <li>• Former President of the Federation of Indian Chambers of Commerce and Industry</li> </ul>
 <p><b>Dr. Jia Ai Zhang</b> <i>Non Executive Director</i></p>	<ul style="list-style-type: none"> <li>• Bachelor Degree in Pharmacy from Fudan University and PhD in Pharmaceutics from Oregon State University</li> <li>• Executive President at the Global R&amp;D center of Fosun Pharma</li> </ul>

# Professional and Experienced Management Team

Name	Qualification
<b>Management Team</b>	
 <p><b>Srinivas Sadu</b> <i>Managing Director and Chief Executive Officer</i></p>	<ul style="list-style-type: none"> <li>• Master's degree in science (industrial pharmacy) from Long Island University, New York</li> <li>• Master's degree in business administration from University of Baltimore;</li> <li>• Post graduate certificate in finance &amp; management from London School of Business &amp; Finance</li> </ul>
 <p><b>Ravi Shekhar Mitra</b> <i>Chief Financial Officer</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in commerce from University of Calcutta</li> <li>• Associate member of the Institute of Chartered Accountants of India</li> <li>• Associate member of the Institute of Company Secretaries of India</li> </ul>
 <p><b>K V G K Raju</b> <i>Chief Technology Officer</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in science from Andhra University</li> </ul>
 <p><b>C S Venkatesan</b> <i>Senior Vice President – R&amp;D</i></p>	<ul style="list-style-type: none"> <li>• Master's degree in science in organic chemistry from Annamalai University</li> <li>• Doctor of philosophy degree from the Indian Institute of Science, Bangalore</li> </ul>
 <p><b>Surapanini Sridevi</b> <i>Senior Vice President – R&amp;D</i></p>	<ul style="list-style-type: none"> <li>• Master's degree in pharmacy from Banaras Hindu University</li> <li>• Doctor of philosophy degree in pharmaceutical science from Osmania University</li> </ul>
 <p><b>Prakash Baliga</b> <i>Vice President – Strategic Sourcing, Procurement &amp; Commercial</i></p>	<ul style="list-style-type: none"> <li>• Master's degree in pharmacy from Bangalore University</li> </ul>
 <p><b>Susheel Ogra</b> <i>Assistant Vice President – Sales and Marketing</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in science from Maulana Azad Memorial College, University of Jammu</li> </ul>
 <p><b>Sampath Kumar Pallerlamudi</b> <i>Company Secretary and Compliance Officer</i></p>	<ul style="list-style-type: none"> <li>• Bachelor's degree in law from Andhra University Faculty of Law</li> <li>• Post graduate diploma in business management from Institute of Public Enterprise</li> <li>• Associate member of the Institute of Company Secretaries of India</li> </ul>

## Shanghai Fosun Pharma is Global Pharmaceutical Major with Extensive Pharmaceutical Manufacturing, Distribution and R&D Expertise Globally

**FOSUN PHARMA**  
复星医药

- Fosun Pharma is a Global pharmaceutical major, whose shares are listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.
- Relationship with Shanghai Fosun Pharma provides **widened market access opportunities** arising from its own continuing internationalization
- Benefitted from Shanghai Fosun Pharma's **established presence in China and Africa**, both of which we consider to be **key growth markets for injectables**

## Continue Strategic Alignment with Shanghai Fosun Pharma to Increase Market Reach

Leverage existing infrastructure and **global presence** to access new markets, including China and Africa

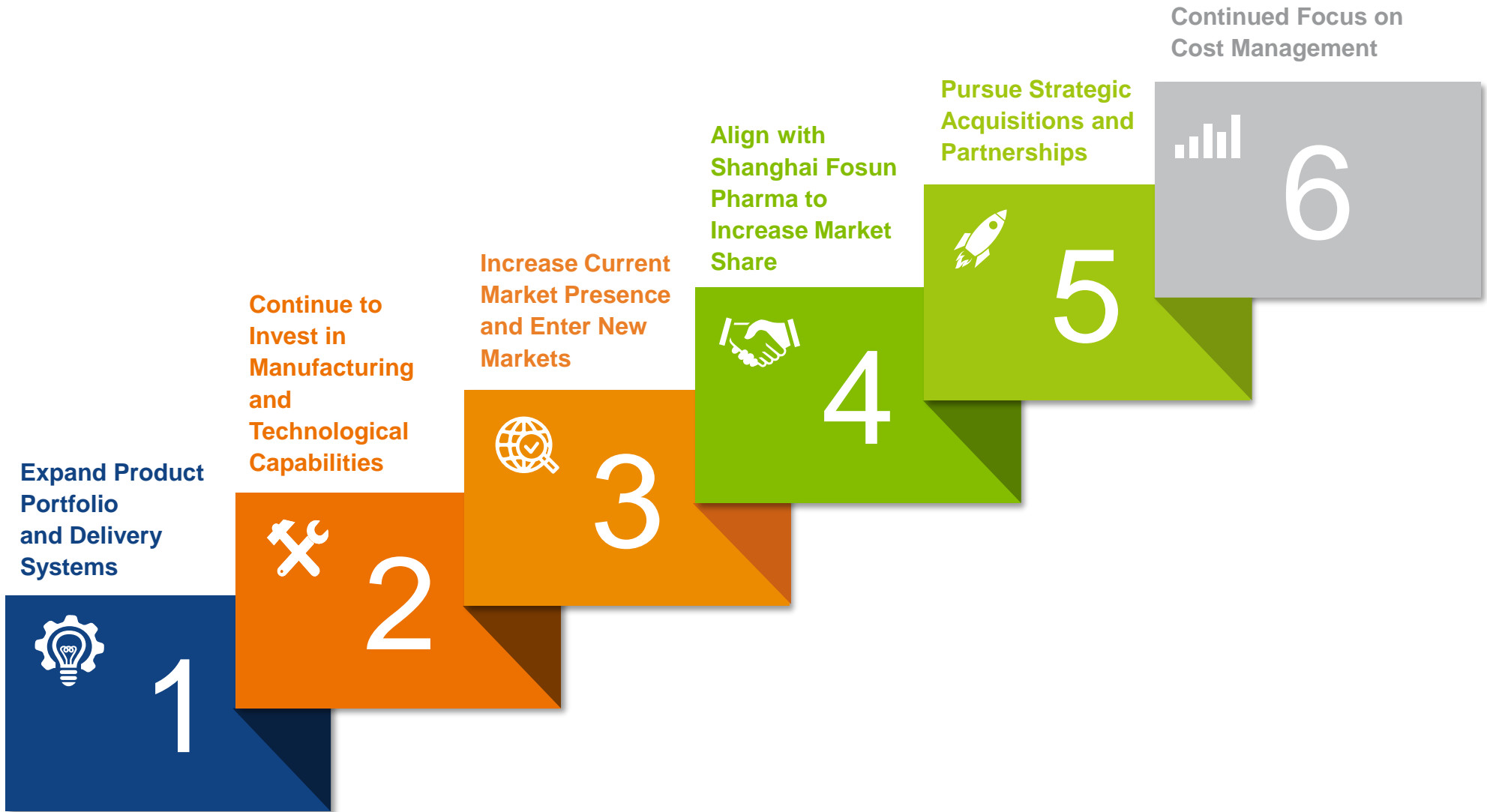
Benefit from **regulatory know-how** to navigate the rapidly evolving healthcare landscape in China

Benefit from **bargaining power** and scale to procure raw materials & equipment from China

Access **extensive sales, logistics and distribution network** to enable market penetration in China

Leverage ability to access key markets to provide **coverage for a portfolio of products**

# Building Blocks to Implement Future Strategy

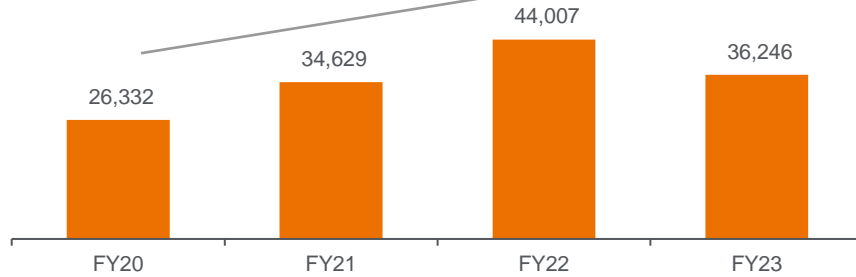


# Proven Track Record of Financial Performance

## Revenue from Operations

(INR Mn)

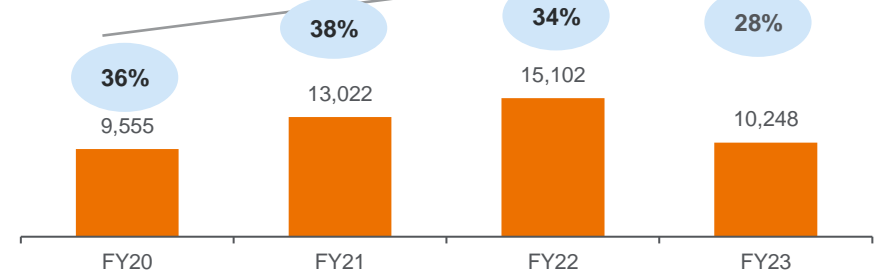
FY 20 – 23  
CAGR: 11%



## EBITDA (1) / EBITDA Margin (2)

(INR Mn / %)

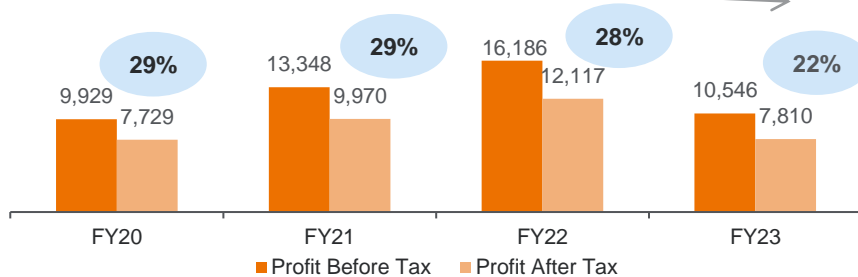
FY 20 – 23  
CAGR: 2%



## PBT / PAT / PAT Margin (3)

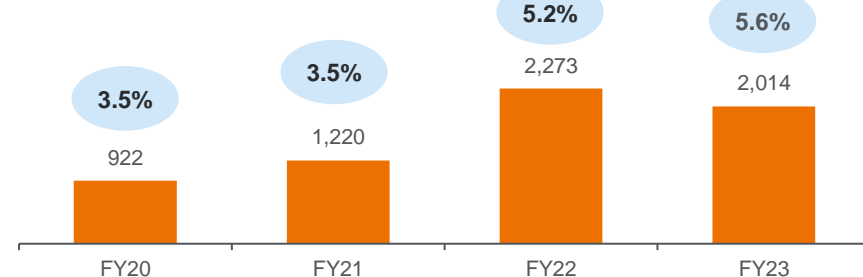
(INR Mn / %)

FY 20 – 23  
CAGR: -5%



## R&D Expenses / (R&D % of Revenue)

(INR Mn / %)



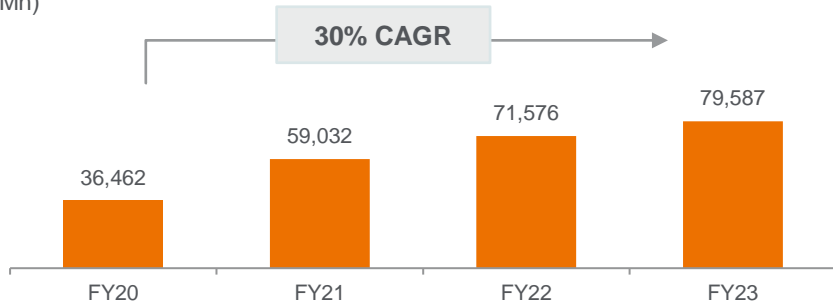
Note: (1) EBITDA= Profit before tax plus exceptional items plus finance expense plus depreciation and amortization expense minus other income; (2) EBITDA margin = EBITDA / Revenue from operations; (3) PAT margin = Profit for the period / Revenue from operations.

Margin

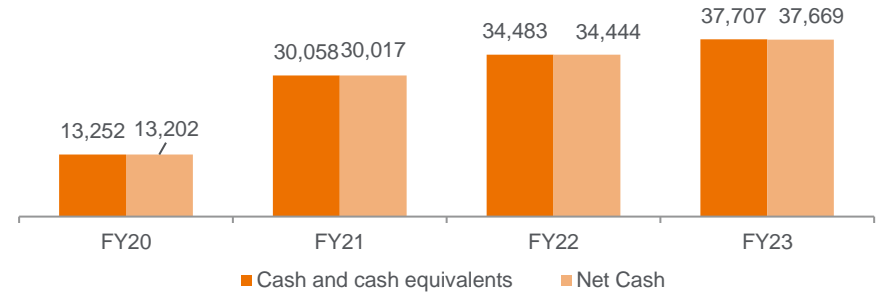


# Proven Track Record of Financial Performance (Cont'd)

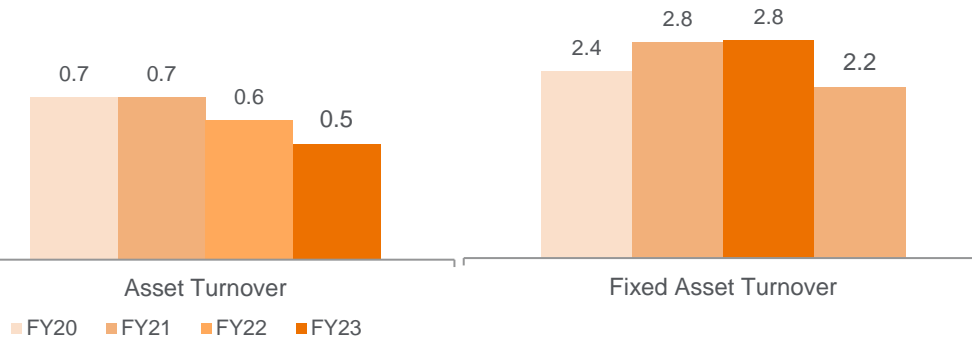
**Net Worth (1)**  
(INR Mn)



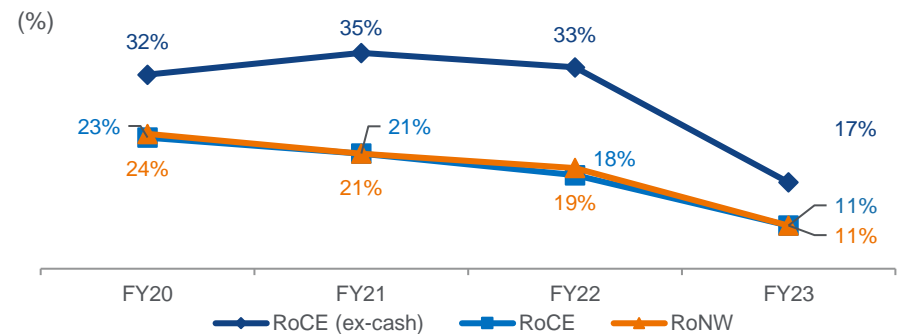
**Cash and Bank Balances / Net Cash (2)**  
(INR Mn)



**Asset Turnover Ratio (3)(4)**



**ROCE (ex-cash)(5) / ROCE (6) / RONW (7)**



Note: (1) Asset Turnover is calculated as Revenue from operations for the period divided by average total assets for the period; (2) Fixed Asset Turnover is calculated as Revenue from operations for the period divided by average total fixed assets for the period (Property, plant and equipment + Right-of-use assets + Capital work in progress); (3) ROCE (ex cash) = (EBIT – Taxes + tax impact on exceptional item)/Average Capital Employed for the period. Capital Employed represents Total Assets (excluding Cash and Bank balances) – Current Liabilities (4) Return on Capital Employed (ROCE) = (EBIT – Taxes + tax impact on exceptional item)/ Average Capital Employed for the period. Capital Employed represents Total Assets – Current Liabilities; (5) Return on Net Worth (RONW) = Profit for the period before exceptional item net of taxes / Average Net Worth for the period. Net Worth represents sum of equity share capital and other equity; (6) COGS mean cost of goods sold includes cost of materials consumed, purchases of traded goods, change in inventories of finished goods, traded goods and work-in-progress and manufacturing overheads; (7) Receivable days calculated as average trade receivables for the period divided by revenue from operations \* over 365 days (as applicable), Inventory days calculated as average inventory for the period divided by COGS\* over 365 days (as applicable), CCC calculated as Receivable days + Inventory days - Payable days;



### Registered Office

**Gland Pharma Limited**  
Survey No. 143-148, 150 & 151  
Near Gandimaisamma 'X' Roads  
D.P. Pally, Dundigal Gandimaisamma Mandal  
Medchal-Malkajgiri District  
Hyderabad 500043, Telangana, India

### Corporate Office:

**Gland Pharma Limited**  
Plot No. 11 & 84, TSIIC Phase: IV  
Pashamylaram (V), Patancheru (M),  
Sangareddy District  
Hyderabad 502307, Telangana, India

**BSE** 543245

**NSE** GLAND

**Bloomberg** GLAND:IN