

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:

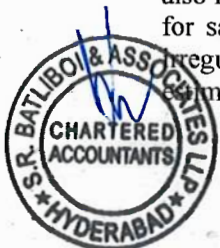
- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and 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
1. Income					
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
Total income	8,243.61	9,874.08	11,682.48	38,569.92	46,246.48
2. Expenses					
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
Total expenses	6,559.92	6,821.68	7,876.90	27,521.29	30,056.05
3. Profit before exceptional items and tax (1-2)	1,683.69	3,052.40	3,805.58	11,048.63	16,190.43
4. Exceptional item (refer note 4)	564.61	-	-	564.61	-
5. Profit before tax (3-4)	1,119.08	3,052.40	3,805.58	10,484.02	16,190.43
6. Tax expense					
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)
Total tax expense	327.02	777.04	945.82	2,725.76	4,068.88
7. Profit for the period/year (5-6)	792.06	2,275.36	2,859.76	7,758.26	12,121.55
8. Other comprehensive income					
<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)
Total other comprehensive (income) / loss (net of tax)	44.80	(7.42)	1.96	22.52	3.85
9. Total comprehensive income (after taxes) (7-8)	747.26	2,282.78	2,857.80	7,735.74	12,117.70
10. Paid up equity share capital (Face value of ₹1/- each)	164.70	164.69	164.30	164.70	164.30
11. Other equity				79,368.28	71,417.98
12. Earnings per equity share (Face value of ₹1/- each):					
<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 and also on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (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
ASSETS		
Non-current assets		
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
	18,848.41	19,896.99
Current assets		
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
	68,883.36	58,444.41
Total Assets	87,731.77	78,341.40
EQUITY AND LIABILITIES		
Equity		
Equity share capital	164.70	164.30
Other equity	79,368.28	71,417.98
	79,532.98	71,582.28
Liabilities		
Non-current liabilities		
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
	896.80	939.75
Current liabilities		
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
	7,301.99	5,819.37
Total Equity and Liabilities	87,731.77	78,341.40

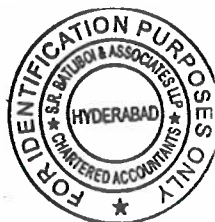


Audited Standalone Statement of cash flows for the year ended March 31, 2023

Annexure II

(₹ in million)

Particulars	Year ended	
	31-Mar-23	31-Mar-22
	Audited	Audited
Cash flow from operating activities		
Profit before tax	10,484.02	16,190.43
Adjustments to reconcile profit before tax to net cash flows		
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)
Operating profit before working capital changes	10,857.80	15,908.50
Movements in working capital:		
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
Cash generated from operations	6,787.80	11,977.96
Income tax paid (net of refunds)	(3,108.87)	(4,065.09)
Net cash flow from operating activities (A)	3,678.93	7,912.87
Cash flows from investing activities		
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)
Net cash flow used in investing activities (B)	12,082.24	(10,102.29)
Cash flows from financing activities		
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)
Net cash flows from financing activities (C)	149.19	348.98
Net increase/(decrease) in cash and cash equivalents (A+B+C)	15,910.36	(1,840.44)
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
Cash and cash equivalents at the end of the year	19,052.18	3,111.82
Components of cash and cash equivalents		
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
Total cash and cash equivalents	19,052.18	3,111.82



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