

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF GLAND PHARMA LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Gland Pharma Limited** ("the Parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), for the quarter and half-year ended September 30, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The statement includes the results of the following entities:

Srl. No.	Name of the entity	Relationship
1	Gland Pharma Limited	Parent
2	Gland Pharma International Pte. Ltd., Singapore	Wholly owned subsidiary
	<b>Subsidiaries of Gland Pharma International Pte. Ltd.:</b>	
3	Gland Pharma USA Inc, USA	Wholly owned subsidiary
4	Manxen SAS, France	Wholly owned subsidiary (w.e.f. April 27, 2023)
5	Manxen 2 SAS, France	Wholly owned subsidiary (w.e.f. April 27, 2023)
6	Manxen 3 SAS, France	Wholly owned subsidiary (w.e.f. April 27, 2023)
7	Phixen SAS, France	Wholly owned subsidiary (w.e.f. April 27, 2023)
	<b>Subsidiaries of Phixen SAS:</b>	
8	Cenexi SAS, France	Wholly owned subsidiary
9	Cenexi Services SAS, France	Wholly owned subsidiary
10	Cenexi HSC SAS, France	Wholly owned subsidiary
11	Cenexi 2 SASU, France	Wholly owned subsidiary
12	Cenexi 3 SASU, France	Wholly owned subsidiary
13	Cenexi Laboratories Thissen SA, Belgium	Wholly owned subsidiary
14	Phineximmo SA, Belgium	Wholly owned subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial information of eight subsidiaries included in the unaudited consolidated financial results, whose interim financial information reflect total assets of ₹20,376.82 million as at September 30, 2023 and, total revenues of ₹3,504.02 million and ₹6,717.71 million for the quarter and half-year ended September 30, 2023 respectively, total net loss after tax of ₹775.96 million and ₹779.48 million for the quarter and half-year ended September 30, 2023 respectively and total comprehensive loss of ₹767.71 million and ₹771.23 million for the quarter and half-year ended September 30, 2023 respectively and net cash outflow of ₹ 67.82 million for the half-year ended September 30, 2023, as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us and our conclusion 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 the other auditors and the procedures performed by us as stated in paragraph 3 above.


Our conclusion on the Statement is not modified in respect of this matter.

7. The unaudited consolidated financial results includes the interim financial information of four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of ₹703.07 million as at September 30, 2023 and, total revenue of ₹11.23 million and ₹20.53 million for the quarter and half-year ended September 30, 2023 respectively, total loss after tax of ₹1.05 million and ₹1.18 million for the quarter and half-year ended September 30, 2023 respectively and total comprehensive loss of ₹1.05 million and ₹1.18 million for the quarter and half-year ended September 30, 2023 respectively, and net cash inflow of ₹7.90 million for the half-year ended September 30, 2023, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

8. The financial results shown under columns "quarter ended June 30, 2023 – Unaudited", "quarter ended September 30, 2022 – Unaudited" and "year ended March 31, 2023 – Audited" contained in the Statement have been reviewed/audited by S.R. Battliboi & Associates LLP, the predecessor auditor, on which they have issued an unmodified conclusion/opinion.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(F.R.N: 008072S)

  
Ganesh Balakrishnan  
Partner  
Membership No. 201193  
UDIN: 23201193BGPJSN4287

Place: Hyderabad  
Date: November 6, 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-Malkajiri District, Hyderabad 500 043, Telangana, India

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**Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023**

(₹ in million)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income</b>						
Revenue from operations	13,734.24	12,086.93	10,444.04	25,821.17	19,013.02	36,246.01
Other income	531.55	375.42	656.24	906.97	1,400.15	2,404.63
<b>Total income</b>	<b>14,265.79</b>	<b>12,462.35</b>	<b>11,100.28</b>	<b>26,728.14</b>	<b>20,413.17</b>	<b>38,650.64</b>
<b>2. Expenses</b>						
Cost of materials consumed	5,179.21	4,655.31	5,043.67	9,834.52	8,451.79	17,167.51
Purchases of traded goods	61.34	37.92	37.90	99.26	85.36	155.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(24.91)	(164.20)	113.06	(189.11)	398.02	(469.17)
Power and fuel	582.80	497.92	320.67	1,080.72	661.22	1,248.37
Employee benefits expense	3,049.54	2,550.04	1,012.95	5,599.58	1,992.96	4,032.61
Depreciation and amortisation expense	813.00	653.15	366.72	1,466.15	715.83	1,467.36
Finance expenses	60.46	49.15	17.21	109.61	26.24	74.47
Other expenses	1,645.47	1,570.40	947.28	3,215.87	1,755.94	3,863.13
<b>Total expenses</b>	<b>11,366.91</b>	<b>9,849.69</b>	<b>7,859.46</b>	<b>21,216.60</b>	<b>14,087.36</b>	<b>27,540.21</b>
<b>3. Profit before exceptional items and tax (1-2)</b>	<b>2,898.88</b>	<b>2,612.66</b>	<b>3,240.82</b>	<b>5,511.54</b>	<b>6,325.81</b>	<b>11,110.43</b>
4. Exceptional item (refer note 4)	-	-	-	-	-	564.61
<b>5. Profit before tax (3-4)</b>	<b>2,898.88</b>	<b>2,612.66</b>	<b>3,240.82</b>	<b>5,511.54</b>	<b>6,325.81</b>	<b>10,545.82</b>
<b>6. Tax expense</b>						
Current tax	890.44	590.90	806.51	1,481.34	1,560.91	2,771.57
Deferred tax	67.62	80.74	21.89	148.36	60.79	(27.99)
Taxes of earlier years	-	-	-	-	-	(8.19)
<b>Total tax expense</b>	<b>958.06</b>	<b>671.64</b>	<b>828.40</b>	<b>1,629.70</b>	<b>1,621.70</b>	<b>2,735.39</b>
<b>7. Profit for the period/year (5-6)</b>	<b>1,940.82</b>	<b>1,941.02</b>	<b>2,412.42</b>	<b>3,881.84</b>	<b>4,704.11</b>	<b>7,810.43</b>
Attributable to:						
- Owners of the Company	1,940.82	1,941.02	2,412.42	3,881.84	4,704.11	7,810.43
- Non-controlling interests	-	-	-	-	-	-
<b>8. Other comprehensive income</b>						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Re-measurement (gain)/loss on employee defined benefit plans	(16.55)	7.52	(21.10)	(9.03)	(19.85)	30.10
Deferred tax impact on remeasurement of defined benefit plans	2.08	(1.89)	5.30	0.19	4.99	(7.58)
<i>Items that will be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	170.59	240.82	(3.34)	411.41	(6.22)	(8.14)
<b>Total other comprehensive (income)/loss, net of tax</b>	<b>156.12</b>	<b>246.45</b>	<b>(19.14)</b>	<b>402.57</b>	<b>(21.08)</b>	<b>14.38</b>
<b>9. Total comprehensive income (7-8)</b>	<b>1,784.70</b>	<b>1,694.57</b>	<b>2,431.56</b>	<b>3,479.27</b>	<b>4,725.19</b>	<b>7,796.05</b>
Attributable to:						
- Owners of the Company	1,784.70	1,694.57	2,431.56	3,479.27	4,725.19	7,796.05
- Non-controlling interests	-	-	-	-	-	-
<b>10. Paid up equity share capital (Face value of ₹1/- each)</b>	<b>164.70</b>	<b>164.70</b>	<b>164.69</b>	<b>164.70</b>	<b>164.69</b>	<b>164.70</b>
11. Other equity	-	-	-	-	-	79,422.52
<b>12. Earnings per equity share (Face value of ₹1/- each):</b>						
(Not annualised for the quarter and half year ended)						
Basic (₹)	11.78	11.79	14.65	23.57	28.58	47.44
Diluted (₹)	11.78	11.78	14.65	23.56	28.57	47.43



Notes:

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, this Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023 ("Unaudited 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 November 6, 2023. The statutory auditors have carried out a limited review on the Unaudited Consolidated Financial Results and issued an unmodified report thereon.
2. The Unaudited 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 and 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. Pursuant to the Share Purchase Agreement ('SPA') dated January 6, 2023, the Company through its wholly owned subsidiary, Gland Pharma International PTE Ltd., Singapore ('Gland Singapore') has acquired 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as "Cenexi") and 3 other companies ("Manxen Companies") holding shares of Phixen SAS, France for an amount of EUR 114.26 million and has refinanced the outstanding existing loan of EUR 79.46 million.  
Accordingly, Phixen SAS, France along with its subsidiaries became wholly-owned step-down subsidiaries of the Company with effect from April 27, 2023 (Completion Date), upon satisfaction of customary closing conditions and receipt of the necessary regulatory approvals and has been consolidated with effect from that date. The results for the quarter and half year ended September 30, 2023, as well as the quarter ended June 30, 2023, are not comparable to earlier periods presented. The transaction was accounted in accordance with Ind AS 103 - Business Combination and the initial accounting has been provisionally determined. The Group recognised ₹ 5,648.34 million (EUR 62.58 million) towards the fair value of net assets acquired and ₹ 4,664.85 million (EUR 51.68 million) towards Goodwill.
4. Exceptional item for the year ended March 31, 2023 pertains to a provision for credit impaired financial asset on account of a customer filing voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas.
5. The Group is engaged in the manufacture and sale of "Pharmaceuticals" which constitutes a single reportable business segment as per Ind AS 108- 'Operating Segments'.
6. The Unaudited Consolidated Balance Sheet and Unaudited Consolidated Statement of Cash Flows are set out in **Annexure A** and **Annexure B** respectively.
7. The previous periods/year numbers have been regrouped/rearranged wherever necessary to conform with the current period presentation.
8. The above Unaudited 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 equity 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  
November 6, 2023

Unaudited Consolidated Balance Sheet as at September 30, 2023

Annexure A

(₹ in million)

Particulars	As at	As at
	30-Sep-23	31-Mar-23
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,501.16	15,585.01
Capital work-in-progress	3,200.05	1,772.16
Goodwill	4,555.95	-
Right-of-use assets	431.06	3.86
Other intangible assets	1,540.20	116.61
Financial assets		
Other financial assets	1,180.00	-
Deferred tax assets, net	443.76	-
Income tax assets, net	385.23	225.22
Other non-current assets	977.81	1,064.41
	<b>43,215.22</b>	<b>18,767.27</b>
<b>Current assets</b>		
Inventories	20,843.48	19,453.00
Financial assets		
Loans	243.76	1.39
Trade receivables	13,731.37	8,713.94
Cash and cash equivalents	4,808.20	19,088.95
Bank balances other than cash and cash equivalents	16,639.14	18,617.80
Other financial assets	642.31	655.21
Other current assets	2,804.90	2,477.79
	<b>59,713.16</b>	<b>69,008.08</b>
<b>Total Assets</b>	<b>102,928.38</b>	<b>87,775.35</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	164.70	164.70
Other equity	82,902.39	79,422.52
<b>Equity attributable to the owners of the Company</b>	<b>83,067.09</b>	<b>79,587.22</b>
Non-controlling interests	-	-
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	1,205.89	32.61
Lease liabilities	268.51	4.83
Other financial liabilities	-	17.33
Provisions	1,248.95	-
Deferred tax liabilities, net	1,338.46	842.03
Other non current liabilities	437.46	-
	<b>4,499.27</b>	<b>896.80</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	1,921.20	5.60
Lease liabilities	174.70	1.49
Trade payables		
Total outstanding dues of micro and small enterprises	53.92	78.34
Total outstanding dues of creditors other than micro and small enterprises	9,728.56	5,795.16
Other financial liabilities	105.07	163.05
Other current liabilities	2,365.97	924.66
Provisions	397.66	313.18
Current tax liabilities, net	614.94	9.85
	<b>15,362.02</b>	<b>7,291.33</b>
<b>Total Equity and Liabilities</b>	<b>102,928.38</b>	<b>87,775.35</b>



**Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2023**

Annexure B

(₹ in million)

Particulars	Half year ended	
	30-Sep-23	30-Sep-22
	Unaudited	Unaudited
<b>Cash flow from operating activities</b>		
Profit before tax	5,511.54	6,325.81
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,466.15	715.83
Allowance for credit losses	105.83	-
Bad debts written off	6.35	-
Interest expense	87.34	21.66
Finance charges on leases	0.99	0.33
Unrealised foreign exchange gain, net	(81.64)	(88.04)
Profit on disposal of financial assets - mutual funds	(0.12)	(27.16)
Profit on disposal of property, plant and equipment, net	(2.74)	(0.56)
Interest income	(675.58)	(843.93)
<b>Operating profit before working capital changes</b>	<b>6,418.12</b>	<b>6,103.94</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade receivables	(1,340.34)	140.23
Decrease/(increase) in inventories	2,297.37	(3,740.68)
Decrease in loans	0.15	2.07
Decrease in other assets and other financial assets	378.89	117.96
(Decrease)/increase in trade payables and other financial liabilities	(2,761.04)	2,304.11
Increase in provisions and other liabilities	320.02	370.73
<b>Cash generated from operations</b>	<b>5,313.17</b>	<b>5,298.36</b>
Income taxes paid, net	(1,095.50)	(1,342.32)
<b>Net cash generated from operating activities (A)</b>	<b>4,217.67</b>	<b>3,956.04</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,605.53)	(819.22)
Proceeds from disposal of property, plant and equipment	7.00	1.35
Purchase of other intangible assets	(58.95)	(7.30)
Payments to acquire financial assets - mutual funds	(159.99)	(3,969.83)
Proceeds from sale of financial assets - mutual funds	160.11	5,545.73
Investment in bank deposits, net	798.66	(3,112.24)
Interest received	578.70	356.42
Consideration paid for the acquisition of subsidiaries (net of cash acquired ₹ 95.63 million)	(10,217.56)	-
<b>Net cash used in investing activities (B)</b>	<b>(10,497.56)</b>	<b>(2,005.09)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the exercise of employee stock option	0.60	209.21
Repayment of long-term borrowings	(7,891.24)	(1.12)
Payment towards interest portion of lease liabilities	(0.99)	(0.33)
Payment towards principal portion of lease liabilities	(31.51)	(0.87)
Interest paid	(87.34)	(21.66)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(8,010.48)</b>	<b>185.23</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(14,290.37)</b>	<b>2,136.18</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	9.62	17.51
Cash and cash equivalents at the beginning of the year	19,088.95	3,188.20
<b>Cash and cash equivalents at the end of the period</b>	<b>4,808.20</b>	<b>5,341.89</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.14	0.20
With banks in current account	4,613.06	4,171.69
With banks in deposit account	195.00	1,170.00
<b>Total cash and cash equivalents</b>	<b>4,808.20</b>	<b>5,341.89</b>

