

23<sup>rd</sup> October, 2019

The Dy. General Manager (Listing Dept.)  
BSE Limited.,  
Corporate Relationship Dept.,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street, Fort,  
Mumbai - 400 001  
(BSE Scrip Code: 500420)

The Manager – Listing Dept.,  
National Stock Exchange of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G. Block,  
Bandra - Kurla Complex, Bandra (E),  
Mumbai – 400 051  
(NSE Scrip Code: TORNTPHARM)

Dear Sir,

**Sub.: Submission / Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, (“Listing Regulations”)**

We would like to inform that the Board has at its meeting held today approved, inter-alia, the Audited Standalone Financial Results along with audit report thereon and Unaudited Consolidated Financial Results along with the limited review report of the Company for the quarter and half year ended on 30<sup>th</sup> September, 2019. The said financial results are enclosed herewith.

In terms of Regulation 47 of the Listing Regulations, the Company will publish an extract of Unaudited Consolidated Financial Results for the quarter and half year ended on 30<sup>th</sup> September, 2019. Both Standalone and Consolidated Financial Results will be available at Company's website [www.torrentpharma.com](http://www.torrentpharma.com).

A Press Release on Financial Results which is being submitted to the media is also enclosed herewith.

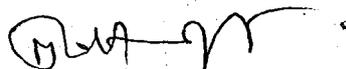
The Board meeting commenced at 02:30 pm and concluded at 5 pm.

The above is for your information and record.

Thanking you,

Yours Sincerely,

For TORRENT PHARMACEUTICALS LIMITED



MAHESH AGRAWAL  
VP (LEGAL) & COMPANY SECRETARY

Encl.: A/a

# B S R & Co. LLP

Chartered Accountants

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Near Vodafone House  
Prahaldnagar, Corporate Road,  
Ahmedabad 380 051  
India

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## **Auditor report on quarterly standalone financial results and standalone year-to-date results of Torrent Pharmaceuticals Limited under Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To Board of Directors of Torrent Pharmaceuticals Limited**

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

##### **Opinion**

We have audited the accompanying standalone quarterly financial results of Torrent Pharmaceuticals Limited (“the company”) for the quarter ended 30 September 2019 and the year to date results for the period from 01 April 2019 to 30 September 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 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 these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 30 September 2019 as well as the year to date results for the period from 01 April 2019 to 30 September 2019.

##### **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 (“the Act”). Our responsibilities under those SAs 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 results 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Auditor report on quarterly standalone financial results and standalone year-to-date results of Torrent Pharmaceuticals Limited under Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Torrent Pharmaceuticals Limited**

**Management's and Board of Directors' Responsibilities for the Standalone Financial Results**

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Management and Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 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 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Management and 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 is 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 standalone financial results as a whole are 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 these standalone financial results.

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 standalone financial results, 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.

**Auditor report on quarterly standalone financial results and standalone year-to-date results of Torrent Pharmaceuticals Limited under Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Torrent Pharmaceuticals Limited**

**Auditor's Responsibilities for the Audit of the Standalone Financial Results (Continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

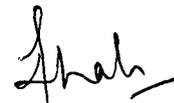
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

For B S R & Co. LLP

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Jamil Khatri**

*Partner*

Membership No: 102527

UDIN: 19102527AAAAAO4397

Ahmedabad  
23 October 2019



## TORRENT PHARMACEUTICALS LIMITED

Registered Office: Torrent House, Off Ashram Road, Ahmedabad - 380 009, Ph.: +91 79 26599000 Fax: + 91 79 26582100

CIN: L24230GJ1972PLC002126; Website:www.torrentpharma.com; Email: investorservices@torrentpharma.com

(Rs. in crores except per share data)						
Statement of Standalone Audited Financial Results for the Quarter and Half Year Ended 30-Sep-2019						
Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019
<b>Revenue</b>						
Net sales	1567	1566	1437	3133	2852	5557
Other operating income	36	37	35	73	72	205
<b>Revenue from operations (net)</b>	<b>1603</b>	<b>1603</b>	<b>1472</b>	<b>3206</b>	<b>2924</b>	<b>5762</b>
Other income	123	31	108	154	142	382
<b>Total revenue</b>	<b>1726</b>	<b>1634</b>	<b>1580</b>	<b>3360</b>	<b>3066</b>	<b>6144</b>
<b>Expenses</b>						
Cost of materials consumed	331	366	247	697	557	1207
Purchases of stock-in-trade	84	69	68	153	160	343
Changes in inventories of finished goods, work-in-progress and stock-in-trade	11	(16)	62	(5)	58	(5)
Employee benefits expense	262	280	247	542	499	1014
Finance costs	111	117	120	228	237	481
Depreciation and amortisation expense	151	149	144	300	285	579
Other expenses	383	392	392	775	782	1590
<b>Total expenses</b>	<b>1333</b>	<b>1357</b>	<b>1280</b>	<b>2690</b>	<b>2578</b>	<b>5209</b>
<b>Profit before tax</b>	<b>393</b>	<b>277</b>	<b>300</b>	<b>670</b>	<b>488</b>	<b>935</b>
Tax expense						
Current Tax	56	60	57	116	98	194
Deferred Tax	9	(6)	(34)	3	(9)	(4)
<b>Total tax expense</b>	<b>65</b>	<b>54</b>	<b>23</b>	<b>119</b>	<b>89</b>	<b>190</b>
<b>Net profit for the period</b>	<b>328</b>	<b>223</b>	<b>277</b>	<b>551</b>	<b>399</b>	<b>745</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified to profit or loss	(6)	(3)	(5)	(9)	(6)	(8)
Income tax relating to items that will not be reclassified to profit or loss	2	1	2	3	2	3
Items that will be reclassified to profit or loss	(34)	9	(93)	(25)	(164)	43
Income tax relating to items that will be reclassified to profit or loss	12	(3)	32	9	57	(15)
<b>Total other comprehensive income</b>	<b>(26)</b>	<b>4</b>	<b>(64)</b>	<b>(22)</b>	<b>(111)</b>	<b>23</b>
<b>Total comprehensive income</b>	<b>302</b>	<b>227</b>	<b>213</b>	<b>529</b>	<b>288</b>	<b>768</b>
Paid-up equity share capital (Face value of Rs. 5 each)	84.62	84.62	84.62	84.62	84.62	84.62
Paid up Debt Capital				2174	2815	1957
Other Equity excluding Revaluation Reserves				5392	4675	4930
Networth				5477	4760	5015
Debenture Redemption Reserve				489	725	489
<b>Earnings per share (of Rs. 5/- each) (not annualised for the quarter):</b>						
Basic	19.40	13.18	16.38	32.58	23.59	44.05
Diluted	19.40	13.18	16.38	32.58	23.59	44.05
Debt Equity Ratio				0.93	1.05	0.98
Debt Service Coverage Ratio				1.39	1.96	1.21
Interest Service Coverage Ratio				3.96	3.07	2.95



Ratios have been computed as follows :-

a) Debt to Equity: Debt / Net Worth

Debt: Long term borrowings + Lease Obligation (Current & Non Current Portion)

Net worth: Share Capital + Reserves & Surplus

b) Debt Service Coverage Ratio: EBIT / (Interest on term & working capital debt + Principal repayments of Long term debt)

(EBIT : Profit before Taxes +/- Exceptional Items + Interest Expense)

c) Interest Service Coverage Ratio: EBIT / Interest Expense

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 23-Oct-2019. The auditor have carried out an audit of the above said results. There is no qualification in the auditor's report on this statement of financial results.
- 2 The Company operates in a single segment i.e Generic Formulation Business.
- 3 Standalone Statement of Assets and Liabilities

(Rs. in crores)

Particulars	Audited	
	As at 30-Sep-2019	As at 31-Mar-2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2606	2673
Right of use assets	122	-
Capital work-in-progress	516	471
Goodwill	244	244
Other intangible assets	4314	4508
Intangible assets under development	46	27
<b>Financial assets</b>		
Investments	135	135
Loans	2	3
Other Financial Assets	23	77
	160	215
Non-current tax assets (net)	70	67
Deferred tax assets (net)	2	-
Other non-current assets	24	74
<b>Sub-total - Non-current assets</b>	<b>8104</b>	<b>8279</b>
<b>Current assets</b>		
Inventories	1360	1358
<b>Financial assets</b>		
Investments	449	351
Trade receivables	1547	1356
Cash and cash equivalents	71	93
Bank balances other than cash and cash equivalents	89	145
Loans	4	4
Other Financial Assets	88	44
	2248	1993
Other current assets	357	397
Non-current assets held for sale*	0	0
<b>Sub-total - Current assets</b>	<b>3965</b>	<b>3748</b>
<b>TOTAL - ASSETS</b>	<b>12069</b>	<b>12027</b>



(Rs. in crores)

Particulars	Audited	
	As at 30-Sep-2019	As at 31-Mar-2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	85	85
Other Equity	5392	4930
<b>Sub-total - Equity</b>	<b>5477</b>	<b>5015</b>
<b>Non-current liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	3764	3740
Other financial liabilities	12	9
	3776	3749
Provisions	175	164
Deferred tax liabilities (net)	-	7
Other non-current liabilities	3	4
<b>Sub-total - Non-current liabilities</b>	<b>3954</b>	<b>3924</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	140	727
Trade payables		
Due to micro and small enterprises	10	7
Due to others	655	575
Other financial liabilities	1577	1420
	2382	2729
Provisions	90	84
Other current liabilities	166	275
<b>Sub-total - Current liabilities</b>	<b>2638</b>	<b>3088</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>12069</b>	<b>12027</b>

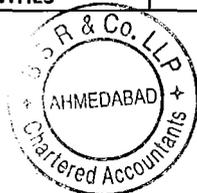
\* Less than Rs. 1 crore

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Cash Flow Statement

(Rs. in crores)

Particulars	Audited	
	Half year ended 30-Sep-2019	Half year ended 30-Sep-2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	<b>670</b>	<b>488</b>
Adjustments for :		
Depreciation and amortization expense	300	285
Allowance for doubtful trade receivables (net)	0	1
Unrealised foreign exchange loss / (gain), net	(53)	58
Share of profit from partnership firm	-	0
Loss on sale / discard / write-off of property, plant & equipments	4	0
Net gain on sale of investments	(15)	(25)
Finance cost	228	237
Interest income	(4)	(10)
Dividend income	(77)	(85)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL</b>	<b>1053</b>	<b>949</b>
<b>CHANGES</b>		
Adjustments for changes in working capital :		
Trade receivables, loans and other assets	(124)	(280)
Inventories	(2)	(23)
Trade payables, liabilities and provisions	(43)	(80)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>884</b>	<b>566</b>
Direct taxes paid	(119)	(92)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>765</b>	<b>474</b>

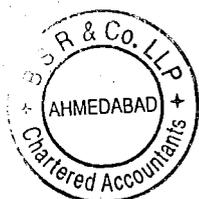


(Rs. in crores)

Particulars	Audited	
	Half year ended	Half year ended
	30-Sep-2019	30-Sep-2018
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment and Intangible assets	(138)	(145)
Proceeds from sale of property, plant & equipments	1	1
Purchase of investment in equity shares	-	(2)
Sale of government securities	-	15
Net gain on sale of investments	15	25
Dividend received	77	85
Fixed deposits matured / (Investment in fixed deposits)	56	(141)
Interest received	6	8
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>17</b>	<b>(154)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	550	250
Repayment of long-term borrowings	(409)	(133)
Net repayment of short term borrowings	(587)	(14)
Proceeds from loan repaid by subsidiary	-	44
Repayment of lease obligations	(9)	
Dividend paid	(68)	(85)
Finance cost paid	(183)	(140)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(706)</b>	<b>(78)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>76</b>	<b>242</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>444</b>	<b>513</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>520</b>	<b>755</b>
<b>Note:</b>		
<b>Cash and cash equivalents at the end of period</b>		
Cash and cash equivalents	71	64
Current investment in mutual funds	449	691
	<b>520</b>	<b>755</b>

- 5 The listed non-convertible debentures of the company aggregating Rs. 2174 crores as on 30-Sep-2019 (previous year ended Rs. 1957 crores) are secured by way of first pari passu charge created through mortgage on certain specified immovable & movable assets and hypothecation of identified trademarks of the Company and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 6 Effective 01-Apr-2019, the Company has adopted Ind AS 116 Leases using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on 01-Apr-2019. The adoption of the standard did not have any material impact to the financial results.
- 7 The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable.

Place : Ahmedabad, Gujarat  
Date : 23-Oct-2019



For TORRENT PHARMACEUTICALS LIMITED

**SAMIR MEHTA**  
Executive Chairman

# B S R & Co. LLP

Chartered Accountants

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Near Vodafone House  
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Fax +91 (79) 7145 0050

## **Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Torrent Pharmaceuticals Limited under Regulation 33 and Regulation 52 of the Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To Board of Directors of Torrent Pharmaceuticals Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Torrent Pharmaceuticals Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), for the quarter ended 30 September 2019 and year to date results for the period from 01 April 2019 to 30 September 2019 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

**Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Torrent Pharmaceuticals Limited under Regulation 33 and Regulation 52 of the Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Torrent Pharmaceuticals Limited**

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

	<b>Name of the entity</b>	<b>Relationship</b>
1	Zao Torrent Pharma	Wholly Owned Subsidiary
2	Torrent Do Brasil Ltda	Wholly Owned Subsidiary
3	Torrent Pharma Gmbh	Wholly Owned Subsidiary
4	Heumann Pharma Gmbh & Co. Generica KG	Wholly Owned Step down Subsidiary
5	Heunet Pharma Gmbh	Wholly Owned Step down Subsidiary
6	Norispharm Gmbh	Wholly Owned Step down Subsidiary
7	Torrent Pharma Inc.	Wholly Owned Subsidiary
8	Torrent Pharma Philippines Inc.	Wholly Owned Subsidiary
9	Laboratorios Torrent, S.A. de C.V	Wholly Owned Subsidiary
10	Torrent Austarlasia Pty Ltd	Wholly Owned Subsidiary
11	Torrent Pharma (Thailand) Co., Ltd.	Wholly Owned Subsidiary
12	Torrent Pharma S.R.L.	Wholly Owned Subsidiary
13	Torrent Pharma (UK) Ltd.	Wholly Owned Subsidiary
14	Aptil Pharma Limited	Wholly Owned Step down Subsidiary
15	Laboratories Torrent (Malaysia) SDN.BHD.	Wholly Owned Subsidiary
16	Torrent Pharma France S.A.S	Wholly Owned Subsidiary

Of the 16 subsidiaries listed above, the interim financial results and financial information of subsidiaries which are located outside India have been prepared under the generally accepted accounting principles ('GAAPs') applicable in their respective countries. The Parent's management has converted these interim financial results from accounting principles generally accepted in their respective countries to Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, 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 Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP  
Chartered Accountants

Firm's Registration No: 101248W/W-100022



**Jamil Khatri**  
Partner

(Rs. in crores except per share data)

**Statement of Consolidated Financial Results for the Quarter and Half Year Ended 30-Sep-2019**

Particulars	Quarter ended (Unaudited)			Half Year ended (Unaudited)		Year ended (Audited)
	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019
<b>Revenue</b>						
Net sales	1968	1976	1858	3944	3692	7462
Other operating income	37	46	36	83	74	211
<b>Revenue from operations (net)</b>	<b>2005</b>	<b>2022</b>	<b>1894</b>	<b>4027</b>	<b>3766</b>	<b>7673</b>
Other income	34	20	10	54	37	57
<b>Total revenue</b>	<b>2039</b>	<b>2042</b>	<b>1904</b>	<b>4081</b>	<b>3803</b>	<b>7730</b>
<b>Expenses</b>						
Cost of materials consumed	331	376	271	707	595	1290
Purchases of stock-in-trade	210	210	238	420	486	846
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3)	(27)	39	(30)	25	83
Employee benefits expense	358	381	343	739	689	1404
Finance costs	116	122	126	238	248	504
Depreciation amortisation and impairment expense	163	160	152	323	302	618
Other expenses	568	541	530	1109	1021	2066
<b>Total expenses</b>	<b>1743</b>	<b>1763</b>	<b>1699</b>	<b>3506</b>	<b>3366</b>	<b>6811</b>
<b>Profit before exceptional items and tax</b>	<b>296</b>	<b>279</b>	<b>205</b>	<b>575</b>	<b>437</b>	<b>919</b>
Exceptional items (Refer Note 8)	-	-	-	-	-	357
<b>Profit before tax</b>	<b>296</b>	<b>279</b>	<b>205</b>	<b>575</b>	<b>437</b>	<b>562</b>
Tax expense						
Current Tax	74	84	72	158	125	280
Deferred Tax	(23)	(20)	(46)	(43)	(30)	(155)
Short / (excess) provision of earlier periods*	1	(1)	-	0	-	1
<b>Total tax expense</b>	<b>52</b>	<b>63</b>	<b>26</b>	<b>115</b>	<b>95</b>	<b>126</b>
<b>Net Profit for the period</b>	<b>244</b>	<b>216</b>	<b>179</b>	<b>460</b>	<b>342</b>	<b>436</b>
Attributable to :						
- Owners of the company	244	216	179	460	342	436
- Non controlling Interest *	-	-	0	-	0	0
<b>Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss	(6)	(3)	(5)	(9)	(6)	(9)
Income tax relating to items that will not be reclassified to profit or loss	2	1	2	3	2	3
Items that will be reclassified to profit or loss	(40)	7	(125)	(33)	(198)	54
Income tax relating to items that will be reclassified to profit or loss	12	(3)	32	9	57	(15)
<b>Total other comprehensive income</b>	<b>(32)</b>	<b>2</b>	<b>(96)</b>	<b>(30)</b>	<b>(145)</b>	<b>33</b>
<b>Total Comprehensive Income</b>	<b>212</b>	<b>218</b>	<b>83</b>	<b>430</b>	<b>197</b>	<b>469</b>
Attributable to :						
- Owners of the company	212	218	83	430	197	469
- Non controlling Interest *	-	-	0	-	0	0
Paid-up equity share capital (Face value of Rs. 5 each)	84.62	84.62	84.62	84.62	84.62	84.62
Paid up Debt Capital				2174	2815	1957
Other Equity excluding Revaluation Reserves				4988	4650	4639
Networth				5073	4735	4724
Debenture Redemption Reserve				489	725	489
<b>Earnings per share (of Rs. 5/- each) before exceptional items net of taxes (not annualised for the quarter):</b>						
Basic & Diluted	14.48	12.74	10.57	27.22	20.23	42.45
<b>Earnings per share (of Rs. 5/- each) after exceptional items net of taxes (not annualised for the quarter):</b>						
Basic & Diluted	14.48	12.74	10.57	27.22	20.23	25.78
Debt Equity Ratio				1.05	1.06	1.08
Debt Service Coverage Ratio				1.23	1.80	1.19
Interest Service Coverage Ratio				3.43	2.77	2.83

\* Less than Rs. 1 crore



Ratios have been computed as follows :-

a) Debt to Equity: Debt / Net Worth

Debt: Long term borrowings (Current & Non Current Portion)

Net worth: Share Capital + Reserves & Surplus

b) Debt Service Coverage Ratio: EBIT / (Interest on term & working capital debt + Principal repayments of Long term debt)

(EBIT : Profit before Taxes +/-) Exceptional Items + Interest Expense)

c) Interest Service Coverage Ratio: EBIT / Interest Expense

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Parent Company, in their respective meetings held on 23-Oct-2019. The auditor have carried out review of the above said results. There is no qualification in the auditor's report on this statement of financial results.
- 2 The consolidated financial results include the financial results of sixteen wholly owned subsidiaries.
- 3 The Group operates in a single segment i.e Generic Formulation Business.
- 4 Consolidated Statement of Assets and Liabilities :

(Rs. in crores)

Particulars	Unaudited	Audited
	As at 30-Sep-2019	As at 31-Mar-2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2731	2801
Right of use assets	149	-
Capital work-in-progress	525	479
Goodwill	336	335
Other intangible assets	4417	4612
Intangible assets under development	153	138
<b>Financial assets</b>		
Investments	2	2
Loans	2	3
Other financial assets	93	146
	97	151
Non-current tax assets (net)	96	120
Deferred tax assets (net)	407	370
Other non-current assets	30	77
<b>Sub-total - Non-current assets</b>	<b>8941</b>	<b>9083</b>
<b>Current assets</b>		
Inventories	1960	1935
<b>Financial assets</b>		
Investments	449	351
Trade receivables	1518	1436
Cash and cash equivalents	415	589
Bank balances other than cash and cash equivalents	171	227
Loans	4	4
Other financial assets	117	65
	2674	2672
Other current assets	401	431
Non-current assets held for sale*	0	0
<b>Sub-total - Current assets</b>	<b>5035</b>	<b>5038</b>
<b>TOTAL - ASSETS</b>	<b>13976</b>	<b>14121</b>



Particulars	(Rs. in crores)	
	Unaudited	Audited
	As at 30-Sep-2019	As at 31-Mar-2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	85	85
Other Equity	4988	4639
<b>Sub-total - Equity</b>	<b>5073</b>	<b>4724</b>
<b>Non-current liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	3957	3913
Other financial liabilities	18	15
	3975	3928
Provisions	316	289
Deferred tax liabilities (net)	-	7
Other non-current liabilities	7	7
<b>Sub-total - Non-current liabilities</b>	<b>4298</b>	<b>4231</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	352	934
Trade payables		
Due to micro and small enterprises	10	7
Due to others	1953	2091
Other financial liabilities	1708	1523
	4023	4555
Provisions	410	414
Current tax liabilities (net)	82	79
Other current liabilities	90	118
<b>Sub-total - Current liabilities</b>	<b>4605</b>	<b>5166</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>13976</b>	<b>14121</b>

\* Less than Rs. 1 crore

5 Consolidated Cash Flow Statement

Particulars	(Rs. in crores)	
	Unaudited	Unaudited
	Half year ended 30-Sep-2019	Half year ended 30-Sep-2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	<b>575</b>	<b>437</b>
Adjustments for :		
Depreciation and amortization expense	323	302
Allowance for doubtful trade receivables (net)	1	(3)
Unrealised foreign exchange loss / (gain), net	(62)	13
Loss on sale/discard/write-off of property, plant & equipments	5	1
Net gain on sale of current investments	(15)	(25)
Finance cost	238	248
Interest income	(5)	(8)
<b>OPERATING CASHFLOWS BEFORE WORKING CAPITAL CHANGES</b>	<b>1060</b>	<b>965</b>
Adjustments for changes in working capital :		
Trade receivables, loans and other assets	(22)	(142)
Inventories	(25)	(66)
Trade payables, liabilities and provisions	(167)	218
<b>CASH GENERATED FROM OPERATIONS</b>	<b>846</b>	<b>975</b>
Direct taxes paid	(130)	(159)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>716</b>	<b>816</b>

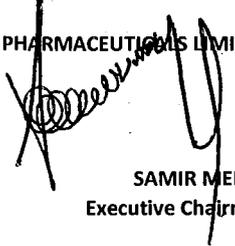


(Rs. in crores)

Particulars	Unaudited	Unaudited
	Half year ended	Half year ended
	30-Sep-2019	30-Sep-2018
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment and Intangible assets	(149)	(160)
Proceeds from sale of property, plant & equipment and Intangible assets	1	0
Net gain on sale of current investments	15	25
Purchase of investment in equity shares	-	(2)
Sale of government securities	-	15
Fixed deposits matured / (Investment in fixed deposits)	57	(61)
Interest received	7	4
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(69)</b>	<b>(179)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	550	250
Repayment of long-term borrowings	(409)	(142)
Net repayment of short term borrowings	(587)	(13)
Repayment of lease obligations	(16)	-
Dividend paid	(68)	(85)
Finance cost paid	(192)	(149)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(722)</b>	<b>(139)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(75)</b>	<b>498</b>
Effect of exchange rate changes on foreign currency cash and cash equivalents	(1)	7
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>940</b>	<b>702</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>864</b>	<b>1207</b>
<b>Note:-</b>		
<b>Cash and cash equivalents at the end of period</b>		
Cash and cash equivalents	415	515
Current investments in mutual funds	449	692
	<b>864</b>	<b>1207</b>

- 6 The listed non-convertible debentures of the Parent Company aggregating Rs. 2174 crores as on 30-Sep-2019 (previous year ended Rs. 1957 crores) are secured by way of first pari passu charge created through mortgage on certain specified immovable & movable assets and hypothecation of identified trademarks of the Parent Company and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 7 Effective 01-Apr-2019, the Group has adopted Ind AS 116 Leases using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on 01-Apr-2019. The adoption of the standard did not have any material impact to the financial results.
- 8 Exceptional items for the year ended 31-Mar-2019 relates to impairment provision of certain intangible assets, intangible assets under development and goodwill recognised with respect to the acquisition of Bio-Pharm, Inc. (merged with Torrent Pharma Inc. with effect from 01-Jan-2019) and product recalls made during the year ended 31-Mar-2019.
- 9 The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable.

For TORRENT PHARMACEUTICALS LIMITED



**SAMIR MEHTA**  
Executive Chairman

Place : Ahmedabad, Gujarat  
Date : 23-Oct-2019



**Torrent Pharma announces Q2 FY20 results, Revenue up by 6% and EBITDA grows by 20%.**  
October 23<sup>rd</sup>, 2019

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Torrent Pharmaceuticals Ltd ('Torrent'), is ranked 8<sup>th</sup> in Indian Pharmaceuticals Market and is amongst the Top 5 in the therapeutics segments of Cardiovascular (CV), Central Nervous System (CNS), Gastro-intestinal (GI), and Vitamins Minerals Nutritionals (VMN). It is specialty-focused company with 74% of its revenue from chronic & sub-chronic therapies. It has presence in 40 countries and is ranked No. 1 amongst the Indian pharma Companies in Brazil, Germany and Philippines.

Torrent has 8 manufacturing facilities (7 in India & 1 in US), of which 5 are USFDA approved. With R&D as backbone for its growth in domestic & overseas market, it has invested significantly in R&D capabilities with state-of-the-art R&D infrastructure employing around 800 scientists.

Torrent continues to be focused on its specialty driven business, productivity improvement, brand building, maintaining high quality manufacturing practices and investments into R&D for a robust future pipeline.

#### **Key highlights: Q2 FY20 consolidated financials**

- Revenues at Rs. 2,005 crores (YoY growth of 6%).
  - India business at Rs. 899 crores (up by 10% YoY). Base impact of discontinued products in previous year is 2%. Adjusted for this growth is 12%.
  - US revenues at Rs. 380 crores (down by 3% YoY). 6 ANDAs were filed during the quarter. As on September 30<sup>th</sup> 2019, 42 ANDAs are pending approval and 6 tentative approvals have been received.
  - Germany revenues at Rs. 250 crores (down by 1% YoY).
  - Brazil revenues at Rs. 156 crores (up by 7% YoY).
- Gross margins at 73%.
- EBITDA at Rs. 573 crores (EBITDA margin of 28.6%), up by 20% (YoY).
- Net profit at Rs. 244 crores as against Rs. 179 crores in Q2 FY19 (up by 36% YoY).
- R&D spend at Rs. 130 crores against Rs. 136 crores in Q2 FY19.

#### **Key highlights: H1 FY20 consolidated financials**

- Revenues at Rs. 4,027 crores (YoY growth of 7%).
- Gross margins at 73%.
- EBITDA at Rs. 1,131 crores (EBITDA margin of 28.1%), up by 16% (YoY).
- Net profit at Rs. 460 crores as against Rs. 342 crores in H1 FY19, (up by 35% YoY).
- R&D spend at Rs. 266 crores against Rs. 264 crores in H1 FY19.

#### **About Torrent Pharma**

Torrent Pharma, with annual revenues of more than Rs. 7,600 crores is the flagship Company of the Torrent Group. Torrent Pharma continues to be at the forefront of the Indian pharmaceutical industry with many of its products ranking among the top 500 brands (AIOCD Dataset) in India. Its widespread international presence also includes several markets where Torrent is amongst the leading pharmaceutical companies in the respective countries.