

BSR & Co. LLP

Chartered Accountants

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Independent Auditor's Report

The Board of Directors of Torrent Pharmaceuticals Limited

Report on the Ind AS Financial Statements

At the request of Torrent Pharmaceuticals Limited, the Ultimate Holding Company of Bio Pharm Inc. ('BPI' or 'the Company'), registered in a Pennsylvania corporation, we have audited the accompanying Ind AS financial statements of the Company, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period 18 January 2018 to 31 March 2018, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements"), prepared and presented solely to facilitate the preparation of the Ind AS financial statements of the Ultimate Holding Company – Torrent Pharmaceuticals Limited, in terms of section 129(3) of the Indian Companies Act, 2013 (the "Act") and in accordance with the requirements of the Schedule III to the Act.

These financial statements/financial information are "special purpose financial statements/financial information" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Entity is incorporated.

Management's Responsibility for the Ind AS Financial Statements

The Ultimate Holding Company and the BPI management are responsible for the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the BPI in accordance with the accounting policies followed by the Ultimate Holding Company – Torrent Pharmaceuticals Limited, in preparing its Ind AS financial statements ("Group Accounting Policies") and the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Indian Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) and in particular SA 800 'Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks'. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these Ind AS financial statements are free from material misstatement.

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Independent Auditor's Report (Continued)

Torrent Pharmaceuticals Limited

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these Ind AS financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of these financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of these Ind AS financial statements that give true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of these Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Ind AS financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the Group Accounting Policies of Torrent Pharmaceuticals Limited, of the state of affairs of the BPI as at 31 March 2018 and its losses (including other comprehensive income), cash flows and the changes in equity for the period 18 January 2018 to 31 March 2018.

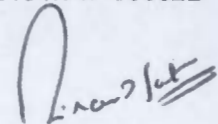
Other Matter

Without modifying our opinion, we draw attention to Note 2 (i) to the Ind AS Financial Statements, which describes the basis of accounting. These financial statements/financial information are "special purpose financial statements/financial information" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Entity is incorporated and are prepared for the sole purpose of consolidation of the Ind AS financial statements of the BPI with the Ultimate Holding Company - Torrent Pharmaceuticals Limited.

For B S R & Co. LLP

Chartered Accountants

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



Nirav Patel

Partner

Membership No: 113327

Mumbai
18 May 2018

Bio-Pharm Inc.
Balance Sheet

	Notes	As at 31-Mar-2018 USD	Amt. in Lacs As at 31-Mar-2018 INR
ASSETS			
Non-current assets			
Property, plant and equipment	1	124.69	8,110.35
Other intangible assets	1	72.83	4,737.16
Intangible assets under development		240.00	15,610.58
Deferred tax assets (net)		6.51	423.44
		<u>444.03</u>	<u>28,881.53</u>
Current assets			
Inventories	4	31.27	2,033.93
Financial assets			
Trade receivables	5	18.34	1,192.91
Cash and cash equivalents	6	1.73	112.53
Other financial assets	2	0.55	35.77
Other current assets	3	5.40	351.24
		<u>57.29</u>	<u>3,726.38</u>
TOTAL		<u><u>501.32</u></u>	<u><u>32,607.91</u></u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	17.84	1,160.39
Other equity	8	458.64	29,831.83
		<u>476.48</u>	<u>30,992.22</u>
Non-current liabilities			
Financial liabilities			
Other financial liabilities	9	0.34	22.11
Current liabilities			
Financial Liabilities			
Trade payables		24.50	1,593.58
TOTAL		<u><u>501.32</u></u>	<u><u>32,607.91</u></u>

All monetary and non-monetary items in the balance sheet have been translated at closing rate of
1 US \$ = Rs. 65.0441

Bio-Pharm Inc.
Statement of Profit and Loss

	Notes	From 18-Jan-2018 to 31-Mar-2018 USD	Amt. in Lacs From 18-Jan-2018 to 31-Mar-2018 INR
REVENUE			
Revenue from operations	10	28.90	1,879.78
Total Revenue		28.90	1,879.78
EXPENSES			
Cost of materials consumed	11	25.86	1,682.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	12	(6.63)	(431.25)
Employee benefits expense	13	11.51	748.66
Depreciation and amortisation expense		2.68	174.32
Other expenses	14	12.83	834.51
Total Expenses		46.25	3,008.28
PROFIT BEFORE TAX		(17.35)	(1,128.50)
TAX EXPENSE			
Deferred tax charge / (credit)		(6.51)	(423.44)
NET PROFIT FOR THE YEAR		(10.84)	(705.06)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(10.84)	(705.06)

Bio-Pharm Inc.
Notes annexed to and forming part of the Financial Statements

	As at 31-Mar-2018 USD	Amt. in Lacs As at 31-Mar-2018 INR
NOTE - 2 : OTHER FINANCIAL ASSETS		
Current		
Other receivables	0.55	35.77
	<u>0.55</u>	<u>35.77</u>
NOTE - 3 : OTHER ASSETS		
Current		
Employees advances	0.25	16.26
Prepaid expenses	5.15	334.98
	<u>5.40</u>	<u>351.24</u>
NOTE - 4 : INVENTORIES		
[At lower of cost and net realisable value]		
Raw materials	14.38	935.33
Packing materials	10.26	667.35
Work-in-progress	0.62	40.33
Finished goods	6.01	390.92
	<u>31.27</u>	<u>2,033.93</u>
NOTE - 5 : TRADE RECEIVABLES		
Considered good	18.34	1,192.91
	<u>18.34</u>	<u>1,192.91</u>
NOTE - 6 : CASH AND CASH EQUIVALENTS		
Balances with banks	1.73	112.53
	<u>1.73</u>	<u>112.53</u>
NOTE - 7 : SHARE CAPITAL		
Subscribed and paid-up	17.84	1,160.39
	<u>17.84</u>	<u>1,160.39</u>
NOTE - 8 : OTHER EQUITY		
Reserves and surplus		
Retained earnings	100.90	6,562.95
Capital reserve	357.74	23,268.88
	<u>458.64</u>	<u>29,831.83</u>
NOTE - 9 : OTHER FINANCIAL LIABILITIES		
Non-current		
Trade deposits	0.34	22.11
	<u>0.34</u>	<u>22.11</u>

Bio-Pharm Inc.

	From 18-Jan-2018 to 31-Mar-2018	Amt. in Lacs From 18-Jan-2018 to 31-Mar-2018
	USD	INR
NOTE - 10 : REVENUE FROM OPERATIONS		
Sales		
Sales outside India	28.09	1,827.09
Operating Income		
Other operating income	0.81	52.69
	<u>28.90</u>	<u>1,879.78</u>
NOTE - 11 : COST OF MATERIALS CONSUMED		
Raw materials	25.86	1,682.04
	<u>25.86</u>	<u>1,682.04</u>
NOTE - 12 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening inventories		
Finished goods	-	-
Work-in-progress	-	-
	<u>-</u>	<u>-</u>
Less : Closing inventories		
Finished goods	6.01	390.92
Work-in-progress	0.62	40.33
	<u>6.63</u>	<u>431.25</u>
Net (increase) / decrease in inventories	<u>(6.63)</u>	<u>(431.25)</u>
NOTE - 13 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	10.40	676.46
Contribution to provident and other funds	0.85	55.29
Staff welfare expenses	0.26	16.91
	<u>11.51</u>	<u>748.66</u>
NOTE - 14 : OTHER EXPENSES		
Laboratory goods and testing expense	5.55	360.99
Repairs and maintenance	1.34	87.16
Sales and turnover taxes	0.04	2.60
Travelling, conveyance and vehicle expenses	0.04	2.60
Rent	1.06	68.95
Rates and taxes	0.39	25.37
Professional and legal fees	2.81	182.77
Communication expenses	0.42	27.32
Printing and stationery expenses	0.01	0.65
Insurance	0.45	29.27
General charges	0.72	46.83
	<u>12.83</u>	<u>834.51</u>

Bio-Pharm Inc.
Note -1 : Property,Plant and Equipment and Other Intangible Assets Schedule (LC)

Amt. in lacs

Particulars	Gross Block (At Cost)			Depreciation and amortisation			Net Block
	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 31-Mar-18
PROPERTY,PLANT AND EQUIPMENT							
Land							
Freehold	-	43.18	43.18	-	-	-	43.18
Building	-	46.89	46.89	-	0.41	0.41	46.48
Plant & Equipments	-	35.28	35.28	-	1.03	1.03	34.25
Vehicles	-	0.44	0.44	-	0.01	0.01	0.43
Office Equipments	-	0.41	0.41	-	0.05	0.05	0.36
TOTAL	-	126.20	126.20	-	1.51	1.51	124.69
OTHER INTANGIBLE ASSETS							
Product Licenses	-	67.00	67.00	-	0.89	0.89	66.11
Non-compete	-	7.00	7.00	-	0.28	0.28	6.72
TOTAL	-	74.00	74.00	-	1.17	1.17	72.83

Property,Plant and Equipment and Other Intangible Assets Schedule (INR)

Particulars	Gross Block (At Cost)			Depreciation and amortisation			Net Block
	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 31-Mar-18
PROPERTY,PLANT AND EQUIPMENT							
Land							
Freehold	-	2,808.41	2,808.41	-	-	-	2,808.41
Building	-	3,049.61	3,049.61	-	26.38	26.38	3,023.23
Plant & Equipments	-	2,294.91	2,294.91	-	67.27	67.27	2,227.64
Vehicles	-	28.62	28.62	-	0.82	0.82	27.80
Office Equipments	-	26.76	26.76	-	3.49	3.49	23.27
TOTAL	-	8,208.31	8,208.31	-	97.96	97.96	8,110.35
OTHER INTANGIBLE ASSETS							
Product Licenses	-	4,357.95	4,357.95	-	58.11	58.11	4,299.84
Non-compete	-	455.57	455.57	-	18.25	18.25	437.32
TOTAL	-	4,813.52	4,813.52	-	76.36	76.36	4,737.16