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Independent Auditors' Report on Financial Information Prepared for Consolidation Purposes

To the Management and Shareholders of CJSC TORRENT PHARMA

Opinion

We have audited the financial information as at and for the year ended 31 March 2021 prepared for consolidation purposes of Closed Joint Stock Company TORRENT PHARMA (the "Company"), on pages 1 to 7 of the accompanying financial reporting package.

In our opinion, the financial information as at and for the year ended 31 March 2021 is prepared, for the purpose described, in all material respects, in accordance with the accounting policy of Torrent Pharmaceuticals Limited.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Information* section of our report. We are independent of the Company in accordance with the independence requirements that are relevant to our audit of the financial statements in the Russian Federation and with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements in the Russian Federation and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Restriction on Use

This financial information is prepared in accordance with the accounting policy of Torrent Pharmaceuticals Limited and it and the related auditors' report are not suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Information

Management is responsible for the preparation of the financial information in accordance with the accounting policy of Torrent Pharmaceuticals Limited, and for such internal

Audited entity: CJSC "TORRENT PHARMA".

Registration number in the Unified State Register of Legal Entities: No. 1027739100553.

Moscow, Russia.

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registration number in the Unified State Register of Legal Entities: No. 1027700125628.

Member of the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). Principal registration number of the entry in the Register of Auditors and Audit Organizations: No. 12006020351.

control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Information

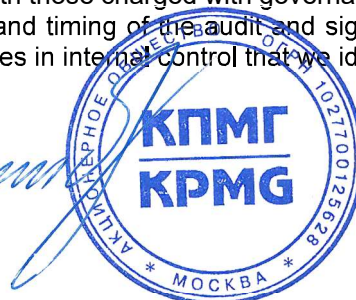
Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 this financial information.

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

- Identify and assess the risks of material misstatement of the financial information, 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, 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 made by management.
- Conclude on the appropriateness of management's 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 auditors' report to the related disclosures in the financial information 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

Vitaly Krylov
JSC "KPMG"
Moscow, Russia



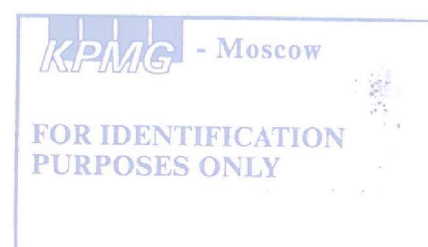
22 April 2021

CJSC TORRENT PHARMA
Statement of Financial Position

	Notes	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
ASSETS			
Non-current assets			
Property, plant and equipment		26,106	20,470
Deferred tax assets (net)		14,517,645	15,226,184
		<u>14,543,751</u>	<u>15,246,654</u>
Current assets			
Inventories	3	116,903,048	206,803,823
Financial assets			
Trade receivables	4	323,770,445	272,257,860
Cash and cash equivalents	5	57,757,157	7,277,521
Other financial assets	1	6,048,373	5,396,518
Assets for Current Tax (net)		13,501,238	-
Other current assets	2	10,559,878	3,659,357
		<u>528,540,139</u>	<u>495,395,079</u>
TOTAL		<u>543,083,890</u>	<u>510,641,733</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	2,380,200	2,380,200
Other equity	7	341,582,304	262,171,476
		<u>343,962,504</u>	<u>264,551,676</u>
Current liabilities			
Financial liabilities			
Trade payables		197,206,017	232,912,957
Other financial liabilities	8	-	359,207
		<u>197,206,017</u>	<u>233,272,164</u>
Other current liabilities	10	-	228,580
Provisions	9	1,915,369	1,685,532
Liabilities for Current Tax (net)		-	10,903,781
		<u>199,121,386</u>	<u>246,090,057</u>
TOTAL		<u>543,083,890</u>	<u>510,641,733</u>

Signature to the Statement of Financial Position
CJSC TORRENT PHARMA
Suprit Agrawal
General Director
Moscow, Russia

Date: 22/04/2021



CJSC TORRENT PHARMA
Statement of Profit or Loss and Other Comprehensive Income

	Notes	Year Ended 31-Mar-2021 RUB	Year Ended 31-Mar-2020 RUB
REVENUE			
Revenue from operations	11	751,429,385	727,304,447
Total Revenue		751,429,385	727,304,447
EXPENSES			
Purchases of stock-in-trade		516,700,400	732,188,026
Changes in inventories of finished goods, work-in-progress and stock-in-trade	12	89,900,775	(93,542,002)
Employee benefits expense	13	11,404,304	10,971,180
Depreciation and amortisation expense		107,078	-
Other expenses	14	30,898,709	36,649,329
Total Expenses		649,091,266	686,264,539
PROFIT BEFORE TAX		102,338,119	41,039,908
TAX EXPENSE			
Current tax		22,218,752	25,281,956
Deferred tax credit / (charge)		708,539	(7,360,703)
		22,927,291	17,921,253
PROFIT FOR THE YEAR		79,410,828	23,118,655
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		79,410,828	23,118,655

Signature to the Statement of Profit or Loss
and Other Comprehensive Income in RUB

CJSC TORRENT PHARMA
 Suprit Agrawal
 General Director
 Moscow, Russia
 Date: 22/04/2021

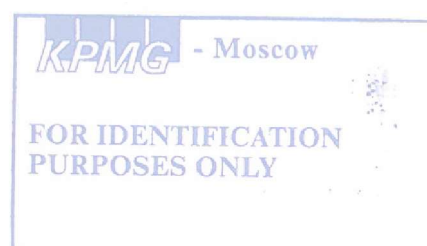
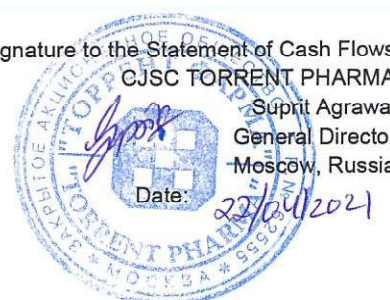


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 PURPOSES ONLY

CJSC TORRENT PHARMA
Statement of Cash Flows

	Year ended 31-Mar-2021 RUB	Year ended 31-Mar-2020 RUB
A CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	102,338,119	41,039,908
Adjustments for :		
Allowance for Impairment of Inventories	(24,763,598)	34,754,816
Allowance for Sales Bonuses	(19,175,500)	1,461,200
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>58,399,021</u>	<u>77,245,924</u>
Adjustments for changes in working capital .		
Trade Receivables, Loans & Advances and Other Assets	(71,857,660)	(10,643,964)
Inventories	114,664,373	(128,296,819)
Trade Payables, Liabilities and Provisions	(27,793,171)	79,357,483
CASH FROM / (USED IN) OPERATIONS	<u>73,412,563</u>	<u>17,662,624</u>
Direct Taxes	(22,927,291)	(17,921,253)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	<u>50,485,272</u>	<u>(258,629)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,636)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(5,636)</u>	<u>-</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Share Capital	-	-
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	50,479,636	(258,629)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,277,521	7,536,150
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>57,757,157</u>	<u>7,277,521</u>
Note: Cash and Cash Equivalents as at end of the year		
Cash and Cash Equivalents as per Note 5	<u>57,757,157</u>	<u>7,277,521</u>
	<u>57,757,157</u>	<u>7,277,521</u>

Signature to the Statement of Cash Flows
CJSC TORRENT PHARMA
 Suprit Agrawal
 General Director
 Moscow, Russia



CJSC TORRENT PHARMA
Notes to the Financial Information

NOTE - 1 : OTHER FINANCIAL ASSETS

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Current		
Other receivables	6,048,373	5,396,518
	<u>6,048,373</u>	<u>5,396,518</u>

NOTE - 2 : OTHER ASSETS

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Current		
Indirect tax recoverable	10,559,878	3,659,357
	<u>10,559,878</u>	<u>3,659,357</u>

NOTE - 3 : INVENTORIES

[At lower of cost and net realisable value]

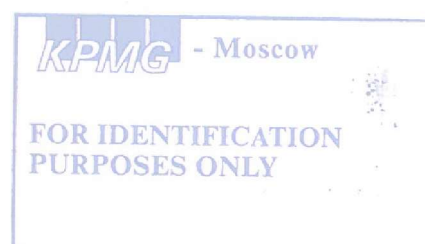
	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Finished goods	116,903,048	206,803,823
	<u>116,903,048</u>	<u>206,803,823</u>

NOTE - 4 : TRADE RECEIVABLES

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Debts over six months from due date		
(a) Considered good	29,837,074	29,837,074
(b) Significant increase in credit risk	1,562,883	1,562,883
Less : Allowance for doubtful trade receivables	1,562,883	1,562,883
	<u>29,837,074</u>	<u>29,837,074</u>
Debts less than six months from due date		
Considered good	293,933,371	242,420,786
	<u>293,933,371</u>	<u>242,420,786</u>
	<u>323,770,445</u>	<u>272,257,860</u>

NOTE - 5 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Cash and cash equivalent		
Cash on hand	5,892	5,892
Balances with banks	57,751,265	7,271,629
	<u>57,757,157</u>	<u>7,277,521</u>



CJSC TORRENT PHARMA
Notes to the Financial Information (page 2)

NOTE - 6 : SHARE CAPITAL

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Subscribed and paid-up	2,380,200	2,380,200
	<u>2,380,200</u>	<u>2,380,200</u>

NOTE - 7 : OTHER EQUITY

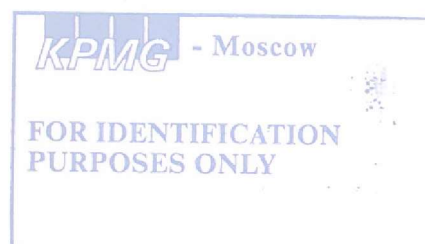
	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Reserves and surplus		
Retained earnings		
Balance as per last balance sheet	(79,817,217)	(102,935,872)
Add: Net profit for the current year	79,410,828	23,118,655
Closing balance	(406,389)	(79,817,217)
Securities premium account	341,988,693	341,988,693
	<u>341,582,304</u>	<u>262,171,476</u>

NOTE - 8 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Current liabilities		
Payables for employee benefits	-	359,207
	<u>-</u>	<u>359,207</u>

NOTE - 9 : PROVISIONS

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Current		
Provision for employee benefits	1,915,369	1,685,532
	<u>1,915,369</u>	<u>1,685,532</u>



CJSC TORRENT PHARMA
Notes to the Financial Information (page 3)

NOTE - 10 : OTHER LIABILITIES

	As at 31-Mar-2021 RUB	As at 31-Mar-2020 RUB
Current		
Payables to statutory and other authorities	-	228,580
	-	228,580

NOTE - 11 : REVENUE FROM OPERATIONS

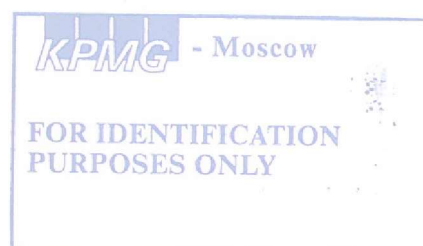
	Year Ended 31-Mar-2021 RUB	Year Ended 31-Mar-2020 RUB
Sales		
Sales outside India	751,429,385	727,304,447
	751,429,385	727,304,447

NOTE - 12 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year Ended 31-Mar-2021 RUB	Year Ended 31-Mar-2020 RUB
Opening inventories		
Finished goods	206,803,823	113,261,821
	206,803,823	113,261,821
Less : Closing inventories		
Finished goods	116,903,048	206,803,823
	116,903,048	206,803,823
Net decrease / (increase) in inventories	89,900,775	(93,542,002)

NOTE - 13 : EMPLOYEE BENEFITS EXPENSE

	Year Ended 31-Mar-2021 RUB	Year Ended 31-Mar-2020 RUB
Salaries, wages and bonus	9,014,454	8,663,937
Contribution to provident and other funds	1,943,925	1,775,807
Staff welfare expenses	525,925	531,442
	11,484,304	10,971,186



NOTE - 14 : OTHER EXPENSES

	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
	RUB	RUB
Selling, publicity and medical literature expense	12,046,920	18,776,877
Rent	8,078,053	8,078,053
Insurance	5,367,644	4,098,153
Auditors remuneration and expenses	2,776,000	2,436,600
General charges	1,639,404	2,371,404
Professional and legal fees	713,782	557,518
Communication expenses	118,884	66,930
Repairs and maintenance	81,468	14,205
Printing and stationery expenses	72,680	122,137
Sales and turnover taxes	3,874	127,452
	<u>30,898,709</u>	<u>36,649,329</u>

NOTE - 15: EARNING PER SHARE

	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
	RUB	RUB
The basic and diluted earnings per share [EPS] are:		
Profit for the year	79,410,828	23,118,655
Weighted average number of equity shares	23,802	23,802
EPS (basic and diluted)	<u>3,336</u>	<u>971</u>

