



26th May, 2020

The Dy. General Manager (Listing Dept.)
BSE Limited,
Corporate Relationship Dept.,
1st 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, 5th Floor,
Plot No. C/1, G. Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400 051
(NSE Scrip Code: TORNTPHARM)

Dear Sir,

Sub.: Disclosure pursuant to Regulation 30 read with Schedule III and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We would like to inform that the Board has at its meeting held today approved, *inter-alia*, the following:

- (a) Audited Financial Results (both standalone and consolidated) of the Company along with audit reports for the quarter and year ended on 31st March, 2020. The said financial results are enclosed herewith.

We declare that the aforesaid Audit Reports are with unmodified opinion.

Audited Standalone and Consolidated Financial Results for the quarter and year ended on 31st March, 2020 will be available at Company's website www.torrentpharma.com.

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

- (b) The Board has not considered any further dividend for FY 20. The interim dividend of Rs. 32/- (including Rs. 15/- as special dividend) declared by the Board at its meeting held on 11th March, 2020 shall be considered as final dividend for FY 20.

TORRENT PHARMACEUTICALS LIMITED

CIN: L24230GJ1972PLC002126

Reg.Office : Torrent House, Off Ashram Road, Ahmedabad- 380 009, India. Phone: +91 79 26599000, Fax: +91 79 26582100,

www.torrentpharma.com

The Board meeting commenced at 02:30 pm and concluded at 04:45 pm.

The above is for your information and record.

Thanking you,

Yours sincerely,

For TORRENT PHARMACEUTICALS LIMITED

MAHESHKUMAR AGRAWAL
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Date: 2020.05.26 16:49:50
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MAHESH AGRAWAL
VP (LEGAL) & COMPANY SECRETARY

Encl: A/a

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Independent Auditors' Report To the Board of Directors of Torrent Pharmaceuticals Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Torrent Pharmaceuticals Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, 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, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

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 Annual 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 we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

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Mumbai - 400 011, India

Independent Auditors' Report (*Continued*)

Torrent Pharmaceuticals Limited

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

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual 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 Standards 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual 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 annual 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 responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual 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 annual 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 annual 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.
- 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditors' Report (Continued)

Torrent Pharmaceuticals Limited

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

- 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 appropriateness of this assumption. 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 standalone annual 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 annual financial results, including the disclosures, and whether the standalone annual 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.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.

For B S R & Co. LLP

Chartered Accountants

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

JAMIL
AHMED
KHATRI

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JAMIL AHMED
KHATRI
Date: 2020.05.26
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Jamil Khatri

Partner

Membership No: 102527

UDIN: 20102527AAAAO3870

Mumbai
26 May 2020



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 Year Ended 31-Mar-2020					
Particulars	Quarter ended			Year ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
Revenue					
Net sales	1457	1436	1319	6026	5557
Other operating income	34	35	38	142	205
Revenue from operations (net)	1491	1471	1357	6168	5762
Other income	21	62	227	237	382
Total revenue	1512	1533	1584	6405	6144
Expenses					
Cost of materials consumed	326	330	341	1353	1207
Purchases of stock-in-trade	103	85	88	341	343
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(54)	2	(23)	(57)	(5)
Employee benefits expense	258	262	256	1062	1014
Finance costs	96	106	119	430	481
Depreciation and amortisation expense	155	152	147	607	579
Other expenses	433	344	401	1552	1590
Total expenses	1317	1281	1329	5288	5209
Profit before tax	195	252	255	1117	935
Tax expense					
Current Tax	34	42	57	192	194
Deferred Tax	(7)	(10)	34	(14)	(4)
Total tax expense	27	32	91	178	190
Net profit for the period	168	220	164	939	745
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss	(3)	(5)	2	(17)	(8)
Income tax relating to items that will not be reclassified subsequently to profit or loss	1	2	0	6	3
Items that will be reclassified subsequently to profit or loss	(91)	(44)	59	(160)	43
Income tax relating to items that will be reclassified subsequently to profit or loss	32	15	(21)	56	(15)
Total other comprehensive income	(61)	(32)	40	(115)	23
Total comprehensive income	107	188	204	824	768
Paid-up equity share capital (Face value of Rs. 5 each)	84.62	84.62	84.62	84.62	84.62
Paid up Debt Capital				1707	1957
Other Equity excluding Revaluation Reserves				5036	4930
Networth				5121	5015
Debenture Redemption Reserve				352	489
Earnings per share (of Rs. 5/- each) (not annualised for the quarter):					
Basic	9.91	12.97	9.73	55.46	44.05
Diluted	9.91	12.97	9.73	55.46	44.05
Debt Equity Ratio				0.89	0.98
Debt Service Coverage Ratio				1.22	1.54
Interest Service Coverage Ratio				4.58	3.76

Ratios have been computed as follows :-

(a) Debt Equity Ratio : Debt / Net Worth

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

Net worth: Share Capital + Reserves & Surplus

(b) Debt Service Coverage Ratio : (Profit After tax + Deferred Tax + Depreciation and Amortisation + Interest on term & working capital debt) / (Interest on term & working capital debt + Principal repayments of Long term debt)

(c) Interest Service Coverage Ratio: (Profit After tax + Deferred Tax + Depreciation and Amortisation + Interest on term & working capital debt) / (Interest on term & working capital debt)

Notes:

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 26-May-2020. 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 31-Mar-2020	As at 31-Mar-2019
ASSETS		
Non-current assets		
Property, plant and equipment	2701	2673
Right-of-use assets	112	-
Capital work-in-progress	513	471
Goodwill	244	244
Other intangible assets	4140	4508
Intangible assets under development	23	27
Financial assets		
Investments	135	135
Loans	2	3
Other Financial Assets	28	77
	165	215
Income tax assets (net)	80	67
Deferred tax assets (net)	68	-
Other non-current assets	19	73
Sub-total - Non-current assets	8065	8278
Current assets		
Inventories	1508	1358
Financial assets		
Investments*	0	351
Trade receivables	1509	1356
Cash and cash equivalents	387	93
Bank balances other than cash and cash equivalents	4	145
Loans	4	4
Other Financial Assets	23	45
	1927	1994
Other current assets	413	397
Non-current assets held for sale*	-	0
Sub-total - Current assets	3848	3749
TOTAL - ASSETS	11913	12027

(Rs. in crores)

Particulars	Audited	
	As at 31-Mar-2020	As at 31-Mar-2019
EQUITY AND LIABILITIES		
Equity		
Share capital	85	85
Other Equity	5036	4930
Sub-total - Equity	5121	5015
Non-current liabilities		
Financial Liabilities		
Borrowings	3140	3740
Other financial liabilities	54	9
	3194	3749
Provisions	177	164
Deferred tax liabilities (net)	-	7
Other non-current liabilities	5	4
Sub-total - Non-current liabilities	3376	3924
Current liabilities		
Financial Liabilities		
Borrowings	789	727
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	13	7
Total outstanding dues of creditors other than micro enterprises and small enterprises	697	575
Other financial liabilities	1649	1420
	3148	2729
Provisions	94	84
Other current liabilities	174	275
Sub-total - Current liabilities	3416	3088
TOTAL - EQUITY AND LIABILITIES	11913	12027

* Less than Rs. 1 crore

4

Cash Flow Statement

(Rs. in crores)

Particulars	Audited	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	1117	935
Adjustments for :		
Depreciation and amortization expense	607	579
Allowance for doubtful trade receivables (net)	1	1
Unrealised foreign exchange (gain) / loss (net)	(77)	109
Share of profit from partnership firm	-	(1)
Loss on sale / discard / write-off of property, plant & equipments	8	3
Net gain on sale of investments	(30)	(46)
Finance cost	430	481
Interest income	(6)	(18)
Dividend income	(77)	(287)
	1973	1756

(Rs. in crores)

Particulars	Audited	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Adjustments for changes in working capital :		
Trade receivables, loans and other assets	(83)	(233)
Inventories	(149)	(59)
Trade payables, liabilities and provisions	45	(24)
CASH GENERATED FROM OPERATIONS	1786	1440
Direct taxes paid	(207)	(208)
NET CASH FROM OPERATING ACTIVITIES	1579	1232
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment and Intangible assets	(346)	(616)
Proceeds from sale of property, plant & equipments	2	2
Purchase of investment in equity shares	-	(2)
Sale of government securities	-	15
Refund of partner's capital on dissolution of partnership firm	-	18
Net gain on sale of investments	30	46
Dividend received	77	287
Fixed deposits matured / (Investment in fixed deposits)	141	(141)
Interest received	15	18
NET CASH USED IN INVESTING ACTIVITIES	(81)	(373)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	750	750
Repayment of long-term borrowings	(1163)	(690)
Proceeds from / (repayment of) short term borrowings (net)	63	(314)
Proceeds from loan repaid by subsidiary	-	116
Repayment of lease obligations	(20)	-
Dividend paid (including tax on dividend)	(719)	(310)
Finance cost paid	(466)	(480)
NET CASH USED IN FINANCING ACTIVITIES	(1555)	(928)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(57)	(69)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	444	513
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	387	444
Note:		
Cash and cash equivalents at the end of year		
Cash and cash equivalents	387	93
Current investment in mutual funds	-	351
	387	444

- 5 The figures for the quarter ended 31-Mar-2020 and 31-Mar-2019 is the balancing figure between audited figures in respect of the full financial year and for the period upto the end of the third quarter of relevant financial year.
- 6 The listed non-convertible debentures of the company aggregating Rs. 1707 crores as on 31-Mar-2020 (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.
- 7 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.
- 8 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. Considering the Company is in the business of manufacturing and supplying pharmaceutical products which is categorized under essential goods, management believes that the impact of the pandemic may not be significant. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

9 **Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporate:**

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information :

Details related to identification as a Large Corporate :

Sr. No.	Particulars	Details
1	Name of the company	Torrent Pharmaceuticals Limited
2	CIN	L24230GJ1972PLC002126
3	Outstanding borrowing of Company as of 31-Mar-2020	Rs. 4409 crores*
4	Highest credit rating during the previous financial year with name of credit rating agency	Credit Rating given by ICRA: • AA@ for long term debt • A1+@ for short term papers Credit Rating given by India Rating: • AA (Stable) for long term debt
5	Name of stock exchange in which fine shall be paid in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited (NSE)

* excluding impact of foreign currency revaluation

@ placed on rating watch with negative implications

Details of incremental borrowings done during the financial year ended 31-Mar-2020 :

Sr. No.	Particulars	Details
1	Incremental borrowing done in financial year (a)	Rs. 750 crores
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	Rs. 187.50 crores
3	Actual borrowings done through debt securities in financial year (c)	Rs. 300 crores
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable

- 10 The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable.

For TORRENT PHARMACEUTICALS LIMITED

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SAMIR UTTAMLAL
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Date: 2020.05.26
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Place : Ahmedabad, Gujarat

Date : 26-May-2020

SAMIR MEHTA
Executive Chairman

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
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Independent Auditors' Report To the Board of Directors of Torrent Pharmaceuticals Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Torrent Pharmaceuticals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 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 and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities

	Name of the entity	Relationship
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 (Upto 14 October 2019)	Wholly Owned Step down Subsidiary
15	Laboratories Torrent (Malaysia) SDN.BHD.	Wholly Owned Subsidiary
16	Torrent Pharma France S.A.S	Wholly Owned Subsidiary

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Independent Auditors' Report (*Continued*)

Torrent Pharmaceuticals Limited

Opinion (*Continued*)

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

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 Consolidated Annual Financial Results* section of our report. We are independent of the Group, 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 along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

Independent Auditors' Report (*Continued*)

Torrent Pharmaceuticals Limited

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results (*Continued*)

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual 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 consolidated annual 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 consolidated annual 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.
- 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 through a separate report on the complete set of financial statements 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 in the consolidated 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 appropriateness of this assumption. 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 consolidated annual 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 Group to cease to continue as a going concern.

Independent Auditors' Report (Continued)

Torrent Pharmaceuticals Limited

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)

- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The consolidated annual financial results include the audited financial results of 15 subsidiaries, whose financial statements reflect total assets (before consolidation adjustment) of Rs. 2,939.81 crores as at 31 March 2020, total revenue (before consolidation adjustment) of Rs. 2,207.78 crores and total net profit after tax of Rs. 210.41 crores and net cash outflows of Rs 210.93 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Independent Auditors' Report (Continued)

Torrent Pharmaceuticals Limited

Other Matters (Continued)

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

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

JAMIL
AHMED
KHATRI

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JAMIL AHMED
KHATRI
Date: 2020.05.26
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Jamil Khatri

Partner

Membership No: 102527

UDIN: 20102527AAAAAQ9483

Mumbai
26 May 2020



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 Consolidated Financial Results for the Quarter and Year Ended 31-Mar-2020					
Particulars	Quarter ended			Year ended	
	31-Mar-2020 (Audited) (Refer Note 6)	31-Dec-2019 (Unaudited)	31-Mar-2019 (Audited) (Refer Note 6)	31-Mar-2020 (Audited)	31-Mar-2019 (Audited)
Revenue					
Net sales	1912	1924	1822	7780	7462
Other operating income	34	42	34	159	211
Revenue from operations (net)	1946	1966	1856	7939	7673
Other income	15	53	17	122	57
Total revenue	1961	2019	1873	8061	7730
Expenses					
Cost of materials consumed	331	339	360	1377	1290
Purchases of stock-in-trade	279	224	144	923	846
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(82)	(21)	29	(133)	83
Employee benefits expense	336	354	347	1429	1404
Finance costs	102	111	123	451	504
Depreciation amortisation and impairment expense	168	163	160	654	618
Other expenses	534	530	503	2173	2066
Total expenses	1668	1700	1666	6874	6811
Profit before exceptional items and tax	293	319	207	1187	919
Exceptional items (Refer Note 8)	-	-	357	-	357
Profit / (loss) before tax	293	319	(150)	1187	562
Tax expense					
Current Tax	47	55	63	260	280
Deferred Tax	(17)	1	(61)	(59)	(155)
Short / (excess) provision of earlier periods	2	12	-	14	1
One time impact on current and deferred tax due to change in law (Refer note 9)	(53)	-	-	(53)	-
Total tax expense	(21)	68	2	162	126
Net Profit / (loss) for the period	314	251	(152)	1025	436
Attributable to :					
- Owners of the company	314	251	(152)	1025	436
- Non controlling Interest *	-	-	0	-	0
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss*	(6)	(5)	0	(20)	(9)
Income tax relating to items that will not be reclassified subsequently to profit or loss*	1	2	0	6	3
Items that will be reclassified subsequently to profit or loss	(133)	(68)	74	(234)	54
Income tax relating to items that will be reclassified subsequently to profit or loss	32	15	(21)	56	(15)
Total other comprehensive income	(106)	(56)	53	(192)	33
Total Comprehensive Income	208	195	(99)	833	469
Attributable to :					
- Owners of the company	208	195	(99)	833	469
- Non controlling Interest *	-	-	0	-	0
Paid-up equity share capital (Face value of Rs. 5 each)	84.62	84.62	84.62	84.62	84.62
Other Equity excluding Revaluation Reserves				4739	4639
Earnings per share (of Rs. 5/- each) before exceptional items net of taxes (not annualised for the quarter):					
Basic & Diluted	18.56	14.77	7.72	60.55	42.45
Earnings / (Loss) per share (of Rs. 5/- each) after exceptional items net of taxes (not annualised for the quarter):					
Basic & Diluted	18.56	14.77	(8.95)	60.55	25.78

* Less than Rs. 1 crore

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 26-May-2020. 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 consolidated financial results include the financial results of sixteen wholly owned subsidiaries, includes one subsidiary which was dissolved on 15-Oct-2019.
- 3 The Group operates in a single segment i.e Generic Formulation Business.
- 4 Consolidated Statement of Assets and Liabilities :

(Rs. in crores)

Particulars	Audited	
	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS		
Non-current assets		
Property, plant and equipment	2818	2801
Right-of-use assets	135	-
Capital work-in-progress	577	479
Goodwill	342	335
Other intangible assets	4238	4612
Intangible assets under development	135	138
Financial assets		
Investments	2	2
Loans	2	3
Other financial assets	127	146
	131	151
Income tax assets (net)	189	120
Deferred tax assets (net)	433	370
Other non-current assets	31	77
Sub-total - Non-current assets	9029	9083
Current assets		
Inventories	2148	1935
Financial assets		
Investments*	0	351
Trade receivables	1649	1436
Cash and cash equivalents	662	589
Bank balances other than cash and cash equivalents	4	227
Loans	4	4
Other financial assets	82	65
	2401	2672
Other current assets	458	431
Non-current assets held for sale*	2	0
Sub-total - Current assets	5009	5038
TOTAL - ASSETS	14038	14121

(Rs. in crores)

Particulars	Audited	
	As at 31-Mar-2020	As at 31-Mar-2019
EQUITY AND LIABILITIES		
Equity		
Share capital	85	85
Other Equity	4739	4639
Sub-total - Equity	4824	4724
Non-current liabilities		
Financial Liabilities		
Borrowings	3304	3913
Other financial liabilities	82	15
	3386	3928
Provisions	338	289
Deferred tax liabilities (net)	-	7
Other non-current liabilities	8	7
Sub-total - Non-current liabilities	3732	4231
Current liabilities		
Financial Liabilities		
Borrowings	1091	934
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	13	7
Total outstanding dues of creditors other than micro enterprises and small enterprises	2063	2091
Other financial liabilities	1754	1523
	4921	4555
Provisions	419	414
Current tax liabilities (net)	35	79
Other current liabilities	107	118
Sub-total - Current liabilities	5482	5166
TOTAL - EQUITY AND LIABILITIES	14038	14121

* Less than Rs. 1 crore

5 Consolidated Cash Flow Statement

(Rs. in crores)

Particulars	Audited	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	1187	562
Adjustments for :		
Depreciation, amortization and impairment expense	654	618
Allowance for doubtful trade receivables (net)	2	(6)
Exceptional items (Impairment of intangible assets)	-	217
Unrealised foreign exchange (gain) / loss, net	(220)	143
Loss on sale/discard/write-off of property, plant & equipments	26	4
Net gain on sale of current investments	(30)	(46)
Finance cost	451	504
Interest income	(8)	(16)
	2062	1980
Adjustments for changes in working capital :		
Trade receivables, loans and other assets	(191)	(89)
Inventories	(213)	31
Trade payables, liabilities and provisions	18	157
CASH GENERATED FROM OPERATIONS	1676	2079
Direct taxes paid	(284)	(281)
NET CASH FROM OPERATING ACTIVITIES	1392	1798

(Rs. in crores)

Particulars	Audited	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment and Intangible assets	(406)	(663)
Proceeds from sale of property, plant & equipment and Intangible assets	4	3
Net gain on sale of current investments	30	46
Corporate deposits matured	-	16
Purchase of investment in equity shares	-	(2)
Sale of government securities	-	15
Fixed deposits matured (net)	204	336
Interest received	17	8
NET CASH USED IN INVESTING ACTIVITIES	(151)	(241)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	750	963
Repayment of long-term borrowings	(1201)	(725)
Proceeds from / (repayment) of short term borrowings (net)	138	(740)
Repayment of lease obligations	(32)	-
Dividend paid (including tax on dividend)	(719)	(310)
Finance cost paid	(485)	(503)
NET CASH USED IN FINANCING ACTIVITIES	(1549)	(1315)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(308)	242
Effect of exchange rate changes on foreign currency cash and cash equivalents	30	(4)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	940	702
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	662	940
Note: Cash and cash equivalents at the end of year		
Cash and cash equivalents	662	589
Current investments in mutual funds	-	351
	662	940

- 6 The figures for the quarter ended 31-Mar-2020 is the balancing figures between audited figures in respect of the full financial year and for the period upto the end of the third quarter of financial year, which were subject to limited review.
- 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 US Government enacted Coronavirus Aids, Relief and Economic Security Act (CARES Act) on 27-Mar-2020 in response to COVID-19 pandemic. Torrent Pharma Inc., wholly owned subsidiary, elected to carry back Net Operating Losses (NOLs) of current and preceding financial years to set off against taxable profits of earlier years. Accordingly, one time tax benefit of Rs. 53 crores for the year ended 31 March 2020 has been recognised.
- 10 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. Considering the Group is in the business of manufacturing and supplying pharmaceutical products which is categorized under essential goods, management believes that the impact of the pandemic may not be significant. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.

- 11 The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable.

For TORRENT PHARMACEUTICALS LIMITED

SAMIR UTTAMLAL MEHTA
MEHTA

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Date: 2020.05.26 16:27:15 +05'30'

Place : Ahmedabad, Gujarat
Date : 26-May-2020

SAMIR MEHTA
Executive Chairman

Torrent Pharma announces Q4 FY20 results

EBITDA grows by 16% driven by cost control and productivity improvements

Revenues & profitability:

- Revenues at Rs. 1,946 crores were up by 5%
- Gross margins were at 73% and EBITDA margins were at 29%
- EBITDA at Rs. 562 crores was up by 16%
- Net profit at Rs. 314 crores

Commenting on the Q4 results, Executive Chairman Samir Mehta said:

“During these unprecedented times of the pandemic, Torrent Pharma recognizes that it has an important role to play in the healthcare ecosystem and has proactively taken actions to ensure product availability and business continuity.

Our Q4 margins continued to benefit largely from the synergies of the acquired Unichem portfolio, incremental productivity and cost control. Our focus continues to remain on India, US, Brazil and Germany as our core markets; For the US, remediation work at Dahej and Indrad has progressed as per plan and we expect Germany growth to revive in FY21.”

Summary of Performance:

Results	Q4 FY20		Q4 FY19		YoY%	FY20		FY19		YoY%
	Rs cr	%	Rs cr	%		Rs cr	%	Rs cr	%	
Revenues	1,946		1,856		5%	7,939		7,673		3%
Gross profit	1,418	73%	1,323	71%	7%	5,772	73%	5,453	71%	6%
EBITDA	562	29%	486	26%	16%	2,284	29%	2,025	26%	13%
PAT	314	16%	-152	-8%	Na	1,025	13%	436	6%	135%
R&D spend	118	6%	139	7%	-15%	494	6%	538	7%	-8%

India:

- India revenues at Rs 840 crores grew by 11%. Adjusted for Covid-19 related supply delays, the growth is 15%.
- As per AIOCD data set, Q4FY20 growth was 16% v/s IPM growth of 10%
- Growth was driven by market share expansion and momentum in high potential launches of Q3FY20 viz. Ticagrelor, Vildagliptin and Remogliflozin
- As of March 31, 2020, MR productivity/month was Rs 7.3 lacs with MR strength of 4,000
- For FY20, revenues were Rs 3,517 crores, up by 9%. Adjusted for base impact of discontinued products and Covid 19 related supply delays, the adjusted growth was 12%.

United States:

- US revenues at Rs 385 crores were up by 3%.
- Constant currency sales were \$52 million driven by market share gain in existing molecules
- As on March 31, 2020, 48 ANDAs were pending approval and 6 tentative approvals were received.
- For FY20, revenues were Rs 1,523 crores, down by 4% (Constant currency sales: \$207 million, down by 2%).

Brazil:

- Brazil revenues at Rs 196 crores were down by 5%.
- Constant currency sales at R\$119 million grew by 11% and was driven by new launches and market share gain.
- As per Close-up data, MAT Mar20 growth of Torrent was 15% versus market growth of 10%.
- For FY20, revenues were Rs 715 crores, up by 4% (Constant currency sales: R\$409 million, up by 12%).

Germany:

- Germany revenues were at Rs 216 crores, down by 10%.
- Constant currency sales were Euro 27 million and were impacted by certain temporary delays in releasing products due to upgradation of its quality management system.
- For FY20, revenues were Rs 947 crores, down by 6% (Constant currency sales: Euro 119 million, down 4%)

Dividend:

In Q4, the Company had announced an Interim dividend for FY 2019-20 of Rs 32 per equity share (including Rs 15 per equity share as a special dividend), which was paid in March 2020. In view of the same, the Board has not considered any further dividends for FY 2019-20.

About Torrent Pharma:

Torrent Pharma, with annual revenues of more than Rs 7,900 crores, is the flagship Company of the Torrent Group, with group revenues of Rs 21,500 crores. Torrent Pharma is 4th largest pharma company in India in terms of Enterprise Value. It is ranked 8th in the Indian Pharma Market and is amongst the Top 5 in the therapeutics segments of Cardiovascular (CV), Central Nervous System (CNS), Gastro-intestinal (GI), and Vitamins Minerals Nutritional (VMN).

It is a specialty-focused company with 73% of its revenue in India 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 the 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 700 scientists.