

26th October, 2021

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)

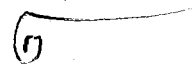
Dear Sir,

Sub.: Submission / Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 limited review report of the Company for the quarter and half year ended 30th September, 2021. 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 30th September, 2021. Both Standalone and Consolidated Financial Results 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.

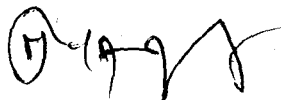
The Board meeting commenced at 03:30 pm and concluded at 5:20 pm. 

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

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400 063

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Audit 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) Regulation, 2015

Independent Auditor's Report

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 2021 and the year to date results for the period from 1 April 2021 to 30 September 2021, 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 2021 as well as the year to date results for the period from 1 April 2021 to 30 September 2021.

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.

Audit 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) Regulation, 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.

Audit 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) Regulation, 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 made by the Board of Directors.
- Conclude on the appropriateness of the 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
AHMED
KHATRI

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by JAMIL
AHMED KHATRI
Date: 2021.10.26
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Jamil Khatri

Partner

Membership No: 102527

UDIN: 21102527AAAABL3368

Mumbai

26 October 2021

| (Rs. in crores except per share data) | | | | | | |
|--|---------------|-------------|-------------|-----------------|-------------|-------------|
| Statement of Standalone Audited Financial Results for the Quarter and Half Year ended 30-Sep-2021 | | | | | | |
| Particulars | Quarter ended | | | Half Year ended | | Year ended |
| | 30-Sep-2021 | 30-Jun-2021 | 30-Sep-2020 | 30-Sep-2021 | 30-Sep-2020 | 31-Mar-2021 |
| Revenue | | | | | | |
| Net sales | 1767 | 1681 | 1608 | 3448 | 3293 | 6333 |
| Other operating income | 32 | 14 | 32 | 46 | 74 | 118 |
| Revenue from operations (net) | 1799 | 1695 | 1640 | 3494 | 3367 | 6451 |
| Other income | 54 | 50 | 9 | 104 | 16 | 118 |
| Total revenue | 1853 | 1745 | 1649 | 3598 | 3383 | 6569 |
| Expenses | | | | | | |
| Cost of materials consumed | 368 | 404 | 363 | 772 | 716 | 1421 |
| Purchases of stock-in-trade | 91 | 97 | 112 | 188 | 221 | 399 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade* | 41 | (41) | (38) | 0 | (66) | (150) |
| Employee benefits expense | 283 | 280 | 274 | 563 | 562 | 1097 |
| Finance costs | 64 | 66 | 86 | 130 | 183 | 339 |
| Depreciation and amortisation expense | 153 | 150 | 153 | 303 | 303 | 610 |
| Other expenses | 399 | 377 | 343 | 776 | 738 | 1487 |
| Total expenses | 1399 | 1333 | 1293 | 2732 | 2657 | 5203 |
| Profit before tax | 454 | 412 | 356 | 866 | 726 | 1366 |
| Tax expense | | | | | | |
| Current tax | 79 | 72 | 63 | 151 | 127 | 248 |
| Deferred tax (Refer Note 6) | 49 | 66 | 10 | 115 | 18 | (20) |
| Total tax expense | 128 | 138 | 73 | 266 | 145 | 228 |
| Net profit for the period | 326 | 274 | 283 | 600 | 581 | 1138 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | (3) | (4) | 4 | (7) | (2) | 11 |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 1 | 2 | (1) | 3 | 1 | (4) |
| Items that will be reclassified subsequently to profit or loss | 28 | (31) | 85 | (3) | 122 | 158 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | (10) | 11 | (30) | 1 | (43) | (55) |
| Total other comprehensive income | 16 | (22) | 58 | (6) | 78 | 110 |
| Total comprehensive income | 342 | 252 | 341 | 594 | 659 | 1248 |
| Paid-up equity share capital (Face value of Rs. 5 each) | 84.62 | 84.62 | 84.62 | 84.62 | 84.62 | 84.62 |
| Other equity excluding revaluation reserves | 6286 | 6197 | 5695 | 6286 | 5695 | 5945 |
| Earnings per share (of Rs. 5/- each) (not annualised for the quarter): | | | | | | |
| Basic | 19.24 | 16.21 | 16.68 | 35.45 | 34.31 | 67.24 |
| Diluted | 19.24 | 16.21 | 16.68 | 35.45 | 34.31 | 67.24 |
| Additional Disclosure as per regulation 52(4) and 54(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | | | | |
| Paid up debt capital | 1534 | 1534 | 2019 | 1534 | 2019 | 1559 |
| Networth | 6371 | 6282 | 5780 | 6371 | 5780 | 6030 |
| Debenture redemption reserve | 216 | 216 | 352 | 216 | 352 | 216 |
| Debt equity ratio (in times) | 0.56 | 0.60 | 0.84 | 0.56 | 0.84 | 0.66 |
| Debt service coverage ratio (in times) | 2.40 | 2.03 | 1.89 | 2.20 | 1.70 | 1.18 |
| Interest service coverage ratio (in times) | 9.35 | 8.50 | 6.27 | 8.91 | 5.95 | 6.12 |
| Current ratio (in times) | 1.65 | 1.78 | 1.63 | 1.65 | 1.63 | 1.60 |
| Long term debt to working capital (in times) | 1.24 | 1.33 | 1.58 | 1.24 | 1.58 | 1.53 |
| Bad debts to Account receivables ratio (in times) | 0.00 | 0.01 | 0.01 | 0.00 | 0.01 | 0.01 |
| Current liability ratio (in times) | 0.49 | 0.44 | 0.43 | 0.49 | 0.43 | 0.45 |
| Total debts to total assets (in times) | 0.33 | 0.35 | 0.39 | 0.33 | 0.39 | 0.37 |
| Debtors turnover (in times) (Annualised) | 4.29 | 4.25 | 4.05 | 4.28 | 4.30 | 4.15 |
| Inventory turnover (in times) (Annualised) | 3.80 | 3.55 | 3.80 | 3.67 | 3.99 | 3.70 |
| Operating margin (in %) | 37.3% | 37.0% | 36.3% | 37.2% | 36.0% | 35.1% |
| Net profit margin (in %) | 18.1% | 16.2% | 17.3% | 17.2% | 17.3% | 17.6% |
| Assets coverage ratio (in times) | 2.07 | 2.04 | 2.40 | 2.07 | 2.40 | 1.98 |

* Less than Rs. 1 crore

Ratios have been computed as follows :-

- (a) Debt equity ratio : Debt / Net worth
Debt: Long term borrowings (incl. current maturities of long term borrowings)
Net worth: Equity share capital + Other equity
- (b) Debt service coverage ratio : (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease) / (Interest on debt and lease + Principal repayments of long term debt including lease payment)
- (c) Interest service coverage ratio: (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease) / Interest on debt and lease
- (d) Current Ratio : Current assets / Current liabilities
- (e) Long term debt to working capital : Long term debt (incl. current maturities of borrowings) / Net working capital
Net Working capital : current assets - current liabilities (excl. current maturities of long term borrowings)
- (f) Bad debts to Account receivables ratio : Allowances for credit loss / Gross trade receivables
- (g) Current liability ratio : Current liabilities / Total liabilities (excl. total equity)
- (h) Total debts to total assets : Total borrowing / Total assets
Total borrowing : long term borrowings + current maturities of long term borrowings + short term borrowings
- (i) Debtors turnover : Net sales / Average trade receivables
- (j) Inventory turnover : Net sales / Average Inventories
- (k) Operating margin % : Revenue from operations (net) - (cost of goods sold + employee benefits + other expenses) + (other income - interest income - Dividend income) / Revenue from operations (net)
- (l) Net profit margin % : Profit after tax / Revenue from operations (net)
- (m) Assets Coverage Ratio : Total assets available for secured debt securities (secured by either pari passu or exclusive charge on assets including assets given on 1st pari passu basis to term loan lenders) / Total borrowing through issue of secured Debt securities and other borrowings (secured by 1st pari passu charge on aforementioned assets)

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-Oct-2021. 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 Balance Sheet**

(Rs. in crores)

| Particulars | Audited | |
|--|----------------------|----------------------|
| | As at 30-Sep-2021 | As at 31-Mar-2021 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 2707 | 2648 |
| Capital work-in-progress | 489 | 555 |
| Right-of-use assets | 87 | 97 |
| Goodwill | 244 | 244 |
| Other intangible assets | 3563 | 3752 |
| Intangible assets under development | 33 | 33 |
| Financial assets | | |
| Investments | 175 | 175 |
| Loans | 2 | 2 |
| Other financial assets | 27 | 21 |
| | 204 | 198 |
| Income tax assets (net) | 20 | 42 |
| Deferred tax assets (net) | - | 28 |
| Other non-current assets | 23 | 22 |
| Sub-total - Non-current assets | 7370 | 7619 |
| Current assets | | |
| Inventories | 1847 | 1912 |
| Financial assets | | |
| Investments | 304 | 139 |
| Trade receivables | 1677 | 1544 |
| Cash and cash equivalents | 66 | 62 |
| Bank balances other than cash and cash equivalents | 5 | 5 |
| Loans | 3 | 3 |
| Other financial assets | 122 | 89 |
| | 2177 | 1842 |
| Other current assets | 289 | 388 |
| Sub-total - Current assets | 4313 | 4142 |
| TOTAL - ASSETS | 11683 | 11761 |

(Rs. in crores)

| Particulars | Audited | |
|--|----------------------|----------------------|
| | As at 30-Sep-2021 | As at 31-Mar-2021 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 85 | 85 |
| Other equity | 6286 | 5945 |
| Sub-total - Equity | 6371 | 6030 |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings | 2394 | 2941 |
| Lease liabilities | 2 | 4 |
| Other financial liabilities | 5 | 3 |
| | 2401 | 2948 |
| Provisions | 207 | 194 |
| Deferred tax liabilities (net) | 83 | - |
| Other non-current liabilities | 2 | 3 |
| Sub-total - Non-current liabilities | 2693 | 3145 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 1498 | 1443 |
| Lease liabilities | 9 | 16 |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 15 | 20 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 651 | 629 |
| Other financial liabilities | 220 | 241 |
| | 2393 | 2349 |
| Provisions | 119 | 107 |
| Other current liabilities | 107 | 130 |
| Sub-total - Current liabilities | 2619 | 2586 |
| TOTAL - EQUITY AND LIABILITIES | 11683 | 11761 |

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Standalone Statement of Cash Flows

(Rs. in crores)

| Particulars | Audited | |
|---|-----------------------------------|-----------------------------------|
| | Half Year ended 30-Sep-2021 | Half Year ended 30-Sep-2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| PROFIT BEFORE TAX | 866 | 726 |
| Adjustments for : | | |
| Depreciation and amortization expense | 303 | 303 |
| Allowance for credit loss (net)* | 0 | 0 |
| Impairment of investment in subsidiary | 16 | - |
| Unrealised foreign exchange (gain) / loss (net) | (52) | 62 |
| Loss on sale / discard / write-off of property, plant & equipments* | 0 | 0 |
| Net gain on sale of investments | (5) | (6) |
| Finance costs | 130 | 183 |
| Interest income* | (0) | (1) |
| | 1258 | 1267 |

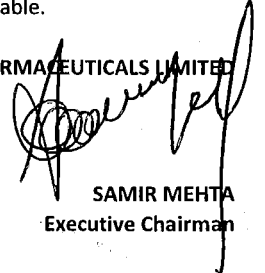
(Rs. in crores)

| Particulars | Audited | |
|---|--------------------------------|--------------------------------|
| | Half Year ended 30-Sep-2021 | Half Year ended 30-Sep-2020 |
| Adjustments for changes in working capital : | | |
| Trade receivables, loans and other assets | (22) | (126) |
| Inventories | 65 | (283) |
| Trade payables, liabilities and provisions | (20) | 143 |
| CASH GENERATED FROM OPERATIONS | 1281 | 1001 |
| Direct taxes paid (net of refunds) | (129) | (55) |
| NET CASH FROM OPERATING ACTIVITIES | 1152 | 946 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments and intangible assets (including capital work-in-progress and capital advances paid) | (106) | (114) |
| Proceeds from sale of property, plant & equipments* | 1 | 0 |
| Payment for additional investment in subsidiary | (16) | - |
| Investments in mutual funds (net) | (160) | (554) |
| Interest received* | 0 | 1 |
| NET CASH (USED IN) INVESTING ACTIVITIES | (281) | (667) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term borrowings | - | 795 |
| Repayment of long-term borrowings | (383) | (448) |
| Repayment of short term borrowings (net) | (110) | (789) |
| Repayment of lease obligations | (10) | (9) |
| Dividend paid | (254) | - |
| Finance costs paid | (110) | (134) |
| NET CASH (USED IN) FINANCING ACTIVITIES | (867) | (585) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 4 | (306) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 62 | 387 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 66 | 81 |

* Less than Rs. 1 crore

- 5 The listed non-convertible debentures of the company aggregating Rs. 1234 crores as at 30-Sep-2021 (previous year ended Rs. 1259 crores) are secured by way of first pari passu charge 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 Deferred tax expense for the period ended 30-Sep-2021 includes Rs. 118 crores relates to MAT credit utilisation.
- 7 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 results by the Board of Directors. The impact of Covid-19 may be different from what is estimated as at such date of approval of the financial results and the Company will continue to monitor any material changes to future economic conditions.
- 8 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 : 26-Oct-2021

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400 063

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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 Securities and Exchange Board of India (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 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 (“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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Torrent Pharmaceuticals Limited

4. The Statement includes the 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 | Torrent Pharma Inc. | Wholly Owned Subsidiary |
| 7 | Torrent Pharma Philippines Inc. | Wholly Owned Subsidiary |
| 8 | Laboratorios Torrent, S.A. de C.V | Wholly Owned Subsidiary |
| 9 | Torrent Austarlasia Pty Ltd | Wholly Owned Subsidiary |
| 10 | Torrent Pharma (Thailand) Co., Ltd. | Wholly Owned Subsidiary |
| 11 | Torrent Pharma S.R.L. | Wholly Owned Subsidiary |
| 12 | Torrent Pharma (UK) Ltd. | Wholly Owned Subsidiary |
| 13 | Laboratories Torrent (Malaysia) SDN.BHD. | Wholly Owned Subsidiary |
| 14 | Torrent Pharma France S.A.S | Wholly Owned Subsidiary |
| 15 | TPL (Malta) Limited (incorporated on 17 August 2021)) | Wholly Owned Subsidiary |
| 16 | Torrent Pharma (Malta) Limited (incorporated on 17 August 2021) | Wholly Owned Step down 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 AHMED KHATRI
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KHATRI
Date: 2021.10.26
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Jamil Khatri
Partner

Mumbai
26 October 2021

Membership No: 102527
UDIN: 21102527AAAABM4485

Statement of Consolidated Financial Results for the Quarter and Half Year ended 30-Sep-2021

| Particulars | Quarter ended (Unaudited) | | | Half Year ended (Unaudited) | | Year ended (Audited) |
|--|---------------------------|-------------|-------------|-----------------------------|-------------|----------------------|
| | 30-Sep-2021 | 30-Jun-2021 | 30-Sep-2020 | 30-Sep-2021 | 30-Sep-2020 | 31-Mar-2021 |
| Revenue | | | | | | |
| Net sales | 2103 | 2120 | 1985 | 4223 | 3999 | 7886 |
| Other operating income | 34 | 14 | 32 | 48 | 74 | 119 |
| Revenue from operations (net) | 2137 | 2134 | 2017 | 4271 | 4073 | 8005 |
| Other income | 51 | 40 | 6 | 91 | 10 | 57 |
| Total revenue | 2188 | 2174 | 2023 | 4362 | 4083 | 8062 |
| Expenses | | | | | | |
| Cost of materials consumed | 369 | 408 | 364 | 777 | 709 | 1421 |
| Purchases of stock-in-trade | 196 | 206 | 273 | 402 | 556 | 1005 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 30 | (26) | (83) | 4 | (176) | (279) |
| Employee benefits expense | 389 | 385 | 363 | 774 | 736 | 1440 |
| Finance costs | 71 | 68 | 92 | 139 | 194 | 358 |
| Depreciation amortisation and impairment expense | 168 | 165 | 165 | 333 | 326 | 658 |
| Other expenses | 493 | 484 | 465 | 977 | 952 | 1933 |
| Total expenses | 1716 | 1690 | 1639 | 3406 | 3297 | 6536 |
| Profit before tax | 472 | 484 | 384 | 956 | 786 | 1526 |
| Tax expense | | | | | | |
| Current tax | 96 | 88 | 72 | 184 | 154 | 334 |
| Deferred tax (Refer Note 6) | 44 | 66 | 2 | 110 | 1 | (53) |
| Short provision of earlier periods | 16 | - | - | 16 | - | (7) |
| Total tax expense | 156 | 154 | 74 | 310 | 155 | 274 |
| Net profit for the period | 316 | 330 | 310 | 646 | 631 | 1252 |
| Attributable to : | | | | | | |
| - Owners of the company | 316 | 330 | 310 | 646 | 631 | 1252 |
| - Non controlling Interest | - | - | - | - | - | - |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | (4) | (4) | 4 | (8) | (2) | 3 |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 1 | 2 | (1) | 3 | 1 | (3) |
| Items that will be reclassified subsequently to profit or loss | 38 | (45) | 89 | (7) | 121 | 156 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | (10) | 11 | (30) | 1 | (43) | (56) |
| Total other comprehensive income | 25 | (36) | 62 | (11) | 77 | 100 |
| Total comprehensive Income | 341 | 294 | 372 | 635 | 708 | 1352 |
| Attributable to : | | | | | | |
| - Owners of the company | 341 | 294 | 372 | 635 | 708 | 1352 |
| - Non controlling Interest | - | - | - | - | - | - |
| Paid-up equity share capital (Face value of Rs. 5 each) | 84.62 | 84.62 | 84.62 | 84.62 | 84.62 | 84.62 |
| Other equity excluding revaluation reserves | 6134 | 6046 | 5446 | 6134 | 5446 | 5753 |
| Earnings per share (of Rs. 5/- each) (not annualised for the quarter): | | | | | | |
| Basic | 18.63 | 19.53 | 18.32 | 38.16 | 37.30 | 73.98 |
| Diluted | 18.63 | 19.53 | 18.32 | 38.16 | 37.30 | 73.98 |
| Additional Disclosure as per regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | | | | |
| Paid up debt capital | 1534 | 1534 | 2019 | 1534 | 2019 | 1559 |
| Networth | 6219 | 6131 | 5531 | 6219 | 5531 | 5838 |
| Debt redemption reserve | 216 | 216 | 352 | 216 | 352 | 216 |
| Debt equity ratio (in times) | 0.60 | 0.64 | 0.91 | 0.60 | 0.91 | 0.71 |
| Debt service coverage ratio (in times) | 2.35 | 2.24 | 1.94 | 2.29 | 1.75 | 1.23 |
| Interest service coverage ratio (in times) | 8.52 | 9.26 | 6.23 | 8.89 | 5.96 | 6.20 |
| Current ratio (in times) | 1.17 | 1.21 | 1.17 | 1.17 | 1.17 | 1.13 |
| Long term debt to working capital (in times) | 1.75 | 1.89 | 2.28 | 1.75 | 2.28 | 2.28 |
| Bad debts to Account receivables ratio (in times) | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Current liability ratio (in times) | 0.61 | 0.59 | 0.55 | 0.61 | 0.55 | 0.59 |
| Total debts to total assets (in times) | 0.32 | 0.32 | 0.37 | 0.32 | 0.37 | 0.34 |
| Debtors turnover (in times) (Annualised) | 5.28 | 5.39 | 5.09 | 5.48 | 4.99 | 4.97 |
| Inventory turnover (in times) (Annualised) | 3.21 | 3.19 | 3.28 | 3.19 | 3.41 | 3.27 |
| Operating margin (in %) | 33.3% | 33.6% | 31.8% | 33.4% | 32.0% | 31.7% |
| Net profit margin (in %) | 14.8% | 15.5% | 15.4% | 15.1% | 15.5% | 15.6% |

Ratios have been computed as follows :-

- (a) Debt equity ratio : Debt / Net worth
Debt: Long term borrowings (incl. current maturities of long term borrowings)
Net worth: Equity share capital + Other equity
- (b) Debt service coverage ratio : (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease) / (Interest on debt and lease + Principal repayments of long term debt including lease payment)
- (c) Interest service coverage ratio: (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease) / Interest on debt and lease
- (d) Current Ratio : Current assets / Current liabilities
- (e) Long term debt to working capital : Long term debt (incl. current maturities of borrowings) / Net working capital
Net Working capital : current assets - current liabilities (excl. current maturities of long term borrowings)
- (f) Bad debts to Account receivables ratio : Allowances for credit loss / Gross trade receivables
- (g) Current liability ratio : Current liabilities / Total liabilities (excl. total equity)
- (h) Total debts to total assets : Total borrowing / Total assets
Total borrowing : long term borrowings + current maturities of long term borrowings + short term borrowings
- (i) Debtors turnover : Net sales / Average trade receivables
- (j) Inventory turnover : Net sales / Average Inventories
- (k) Operating margin % : Revenue from operations (net) - (cost of goods sold + employee benefits + other expenses) + (other income - interest income - Dividend income) / Revenue from operations (net)
- (l) Net profit margin % : Profit after tax / Revenue from operations (net)

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-Oct-2021. 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 Balance Sheet**

| Particulars | (Rs. in crores) | |
|--|----------------------|----------------------|
| | Unaudited | Audited |
| | As at 30-Sep-2021 | As at 31-Mar-2021 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 2970 | 2758 |
| Capital work-in-progress | 532 | 744 |
| Right-of-use assets | 124 | 126 |
| Goodwill | 342 | 341 |
| Other intangible assets | 3650 | 3840 |
| Intangible assets under development | 145 | 145 |
| Financial assets | | |
| Investments | 42 | 42 |
| Loans | 2 | 2 |
| Other financial assets | 59 | 52 |
| | 103 | 96 |
| Income tax assets (net) | 33 | 56 |
| Deferred tax assets (net) | 402 | 421 |
| Other non-current assets | 23 | 24 |
| Sub-total - Non-current assets | 8324 | 8551 |
| Current assets | | |
| Inventories | 2612 | 2681 |
| Financial assets | | |
| Investments | 304 | 139 |
| Trade receivables | 1561 | 1523 |
| Cash and cash equivalents | 315 | 573 |
| Bank balances other than cash and cash equivalents | 30 | 31 |
| Loans | 3 | 3 |
| Other financial assets | 175 | 121 |
| | 2388 | 2390 |
| Other current assets | 357 | 451 |
| Sub-total - Current assets | 5357 | 5522 |
| Non-current assets held for sale | 2 | 2 |
| | 5359 | 5524 |
| TOTAL - ASSETS | 13683 | 14075 |

(Rs. in crores)

| Particulars | Unaudited | Audited |
|--|----------------------|----------------------|
| | As at 30-Sep-2021 | As at 31-Mar-2021 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 85 | 85 |
| Other Equity | 6134 | 5753 |
| Sub-total - Equity | 6219 | 5838 |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings | 2394 | 2941 |
| Lease Liabilities | 29 | 22 |
| Other financial liabilities | 10 | 8 |
| | 2433 | 2971 |
| Provisions | 377 | 370 |
| Deferred tax liabilities (net) | 83 | - |
| Other non-current liabilities | 4 | 5 |
| Sub-total - Non-current liabilities | 2897 | 3346 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 1944 | 1884 |
| Lease Liabilities | 20 | 26 |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 15 | 20 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1769 | 2047 |
| Other financial liabilities | 293 | 301 |
| | 4041 | 4278 |
| Provisions | 391 | 431 |
| Current tax liabilities (net) | 47 | 54 |
| Other current liabilities | 88 | 128 |
| Sub-total - Current liabilities | 4567 | 4891 |
| TOTAL - EQUITY AND LIABILITIES | 13683 | 14075 |

5

Consolidated Statement of Cash Flows

(Rs. in crores)

| Particulars | Unaudited | |
|--|--------------------------------|--------------------------------|
| | Half Year ended 30-Sep-2021 | Half Year ended 30-Sep-2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| PROFIT BEFORE TAX | 956 | 786 |
| Adjustments for : | | |
| Depreciation, amortization and impairment expense | 333 | 326 |
| Allowance for credit loss (net) * | 1 | 0 |
| Unrealised foreign exchange (gain) / loss, (net) | (64) | 51 |
| Loss on sale/discard/write-off of property, plant & equipments * | 0 | 0 |
| Net gain on sale of current investments | (5) | (6) |
| Finance costs | 139 | 194 |
| Interest income | (1) | (2) |
| | 1359 | -1349 |
| Adjustments for changes in working capital : | | |
| Trade receivables, loans and other assets | 44 | 8 |
| Inventories | 70 | (393) |
| Trade payables, liabilities and provisions | (385) | 217 |
| CASH GENERATED FROM OPERATIONS | 1088 | 1181 |
| Direct taxes paid (net of refund) | (184) | (49) |
| NET CASH FROM OPERATING ACTIVITIES | 904 | 1132 |

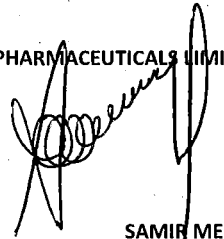
(Rs. in crores)

| Particulars | Unaudited | |
|---|--------------------------------|--------------------------------|
| | Half Year ended 30-Sep-2021 | Half Year ended 30-Sep-2020 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments and intangible assets (including capital work-in-progress and capital advances paid) | (127) | (181) |
| Proceeds from sale of property, plant & equipments and intangible assets | 1 | 2 |
| Investments in mutual funds (net) | (160) | (554) |
| Investment in fixed deposits (net)* | (0) | - |
| Interest received | 1 | 2 |
| NET CASH (USED IN) INVESTING ACTIVITIES | (285) | (731) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term borrowings | - | 795 |
| Repayment of long-term borrowings | (383) | (448) |
| Repayment of short term borrowings (net) | (110) | (789) |
| Repayment of lease obligations | (14) | (16) |
| Dividend paid | (254) | - |
| Finance costs paid | (118) | (144) |
| NET CASH (USED IN) FINANCING ACTIVITIES | (879) | (602) |
| NET (DECREASE IN) CASH AND CASH EQUIVALENTS | (260) | (201) |
| Effect of exchange rate changes on foreign currency cash and cash equivalents | 2 | 6 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 573 | 662 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 315 | 467 |

* Less than Rs. 1 crore

- 6 Deferred tax expense for the period ended 30-Sep-2021 includes Rs. 118 crores relates to MAT credit utilisation.
- 7 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 results by the Board of Directors. The impact of Covid-19 may be different from what is estimated as at such date of approval of the financial results and the Group will continue to monitor any material changes to future economic conditions.
- 8 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 : 26-Oct-2021

Torrent Pharma announces Q2 FY22 results

Strong momentum continues in Branded Generic markets

Revenues & profitability:

- Revenue at Rs. 2,137 crores up by 6%
- Gross margins: 72.2%; EBITDA margins: 33.2%
- EBITDA at Rs. 711 crores was up by 11%.
- Profit before tax at Rs. 472 crores was up by 23%.
- Net profit after tax at Rs. 316 crores was up 2%.

Performance summary:

| Results | Q2 FY22 | | Q2 FY21 | | YoY% | H1 FY22 | | H1 FY21 | | YoY% |
|--------------|---------|-----|---------|-----|------|---------|-----|---------|-----|------|
| | Rs cr | % | Rs cr | % | | Rs cr | % | Rs cr | % | |
| Revenues | 2,137 | | 2,017 | | 6% | 4,271 | | 4,073 | | 5% |
| Gross profit | 1,542 | 72% | 1,463 | 73% | 5% | 3,089 | 72% | 2,984 | 73% | 3% |
| EBITDA | 711 | 33% | 641 | 32% | 11% | 1,428 | 34% | 1,304 | 32% | 10% |
| PAT | 316 | 15% | 310 | 15% | 2% | 646 | 15% | 631 | 15% | 2% |
| R&D spend | 130 | 6% | 119 | 6% | 9% | 255 | 6% | 227 | 6% | 12% |

India:

- India revenues at Rs 1,087 crores grew by 13%
- Underlying growth adjusted for dispatch related delays last year is at 16%
- As per secondary market data (AIOCD), Torrent's Q2 FY22 growth was 19% versus IPM growth of 15%
- Torrent has outperformed the market in all its key therapies during the quarter.
- MR productivity for the quarter was Rs 9.9 lakhs with MR strength of 3,600
- For H1 FY22, revenues were Rs 2,180 crores, up by 15%.

United States:

- US revenues at Rs 284 crores, were down by 13%.
- Constant currency sales were \$35 million.
- Sales were lower due to price erosion in the base business and lack of new approvals pending re-inspection of facilities.

In case of any enquiry / clarification, please contact Mr. Jayesh Desai on +91 9824501396

TORRENT PHARMACEUTICALS LIMITED

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- As on September 30, 2021, 53 ANDAs were pending approval with USFDA and 7 tentative approvals were received. 1 ANDA was approved during the quarter.
- For H1 FY22, revenues were Rs 550 crores, down by 21% (Constant currency sales: \$71 million).

Brazil:

- Brazil revenues at Rs 156 crores, were up by 21%
- Constant currency sales at R\$ 109 million.
- Brazil BGx market growth is at 10% during the quarter.
- Growth was driven by momentum in the large brands combined with the strong launch of two new products.
- For H1 FY22, revenues were Rs 309 crores, up by 15% (Constant currency sales: R\$ 218 million, up by 16%).

Germany:

- Germany revenues at Rs 251 crores were down by 4%
- Constant currency sales were Euro 29 million.
- Growth during the quarter was mainly impacted due to covid induced supply delays and inventory normalization led by customer consolidation at market place.
- Secondary sales trend was in-line with market growth.
- For H1 FY22, revenues were Rs 510 crores, up by 1% (Constant currency sales: Euro 58 million).

About Torrent Pharmaceuticals Ltd:

Torrent Pharma, with annual revenues of more than Rs 8,000 crores, is the flagship Company of the Torrent Group, with group revenues of more than Rs 20,000 crores. It is ranked 8th in the Indian Pharmaceuticals Market and is amongst the Top 5 in the therapeutics segments of Cardiovascular (CV), Central Nervous System (CNS), and Vitamins Minerals Nutritionals (VMN).

It is a specialty-focused company with 75%+ 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

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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 750+ scientists.

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