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## **Independent Auditors' Report on Financial Information Prepared for Consolidation Purposes**

To the Management and Shareholders of CJSC "TORRENT PHARMA"

### ***Opinion***

We have audited the financial information as at and for the year ended 31 March 2022 prepared for consolidation purposes of Closed Joint Stock Company "TORRENT PHARMA" (the "Company"), on pages 1 to 7 of the accompanying financial reporting package.

In our opinion, the financial information as at and for the year ended 31 March 2022 is prepared, for the purpose described, in all material respects, in accordance with the accounting policy of Torrent Pharmaceuticals Limited.

### ***Basis for Opinion***

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

### ***Other Matter – Restriction on Use***

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

Audited entity: CJSC "TORRENT PHARMA"

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

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation and a member firm of the KPMG global organization of independent member firms. For more detail about the structure of the KPMG global organization please visit [home.kpmg/governance](http://home.kpmg/governance)



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

Management is responsible for the preparation of the financial information in accordance with the accounting policy of Torrent Pharmaceuticals Limited, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

***Auditors’ Responsibilities for the Audit of the Financial Information***

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

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

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**CJSC "TORRENT PHARMA"**

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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.

The engagement partner on the audit resulting in this independent auditors' report is:



Vitaly Krylov

Principal registration number of the entry in the Register of Auditors and Audit organizations 21906105434, acts on behalf of the audit organization based on the power of attorney No. 102/21 as of 25 May 2021

JSC "KPMG"

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351

Moscow, Russia  
18 April 2022

CJSC "TORRENT PHARMA"  
Statement of Financial Position

	Notes	As at 31-Mar-2022 RUB	As at 31-Mar-2021 RUB
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		32,857	26,106
Deferred tax assets (net)		14,442,034	14,517,645
		<b>14,474,891</b>	<b>14,543,751</b>
<b>Current assets</b>			
Inventories	3	283,198,166	116,903,048
Financial assets			
Trade receivables	4	376,076,010	323,770,445
Cash and cash equivalents	5	25,031,120	57,757,157
Other financial assets	1	2,801,267	6,048,373
Assets for current tax (net)		6,532,099	13,501,238
Other current assets	2	12,187,132	10,559,878
		<b>705,825,794</b>	<b>528,540,139</b>
<b>TOTAL</b>		<b>720,300,685</b>	<b>543,083,890</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	2,380,200	2,380,200
Other equity	7	356,265,772	341,582,304
		<b>358,645,972</b>	<b>343,962,504</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables		358,578,463	197,206,017
Other financial liabilities	8	612,516	-
		<b>359,190,979</b>	<b>197,206,017</b>
Other current liabilities	10	87,205	-
Provisions	9	2,376,529	1,915,369
		<b>361,654,713</b>	<b>199,121,386</b>
<b>TOTAL</b>		<b>720,300,685</b>	<b>543,083,890</b>

Signature to the Statement of Financial Position  
CJSC "TORRENT PHARMA"Suprit Agrawal  
General Director  
Moscow, Russia  
Date: 18 April 2022

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

	Notes	Year Ended 31-Mar-2022 RUB	Year Ended 31-Mar-2021 RUB
<b>REVENUE</b>			
Revenue from operations	11	864,060,148	751,429,385
<b>Total Revenue</b>		<b>864,060,148</b>	<b>751,429,385</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade		912,644,837	516,700,400
Changes in inventories of finished goods, work-in-progress and stock-in-trade	12	(166,295,118)	89,900,775
Employee benefits expense	13	14,515,565	11,484,304
Depreciation and amortisation expense		128,280	107,078
Other expenses	14	47,123,824	30,898,709
<b>Total Expenses</b>		<b>808,117,388</b>	<b>649,091,266</b>
<b>PROFIT BEFORE TAX</b>		<b>55,942,760</b>	<b>102,338,119</b>
<b>TAX EXPENSE</b>			
Current tax		41,183,682	22,218,752
Deferred tax charge		75,610	708,539
		<b>41,259,292</b>	<b>22,927,291</b>
<b>PROFIT FOR THE YEAR</b>		<b>14,683,468</b>	<b>79,410,828</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>14,683,468</b>	<b>79,410,828</b>

Signature to the Statement of Profit or Loss  
and Other Comprehensive Income in RUB  
CJSC "TORRENT PHARMA"

Suprit Agrawal  
General Director  
Moscow, Russia  
Date: 18 April 2022



CJSC "TORRENT PHARMA"  
Statement of Cash Flows

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
	RUB	RUB
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>PROFIT BEFORE TAX</b>	<b>55,942,760</b>	<b>102,338,119</b>
Adjustments for :		
Allowance for impairment of inventories	26,267,151	(24,763,598)
Allowance for sales bonuses	27,648,300	(19,175,500)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>109,858,211</b>	<b>58,399,021</b>
Adjustments for changes in working capital :		
Trade receivables, loans and advances and other assets	(43,640,963)	(71,857,660)
Inventories	(192,562,269)	114,664,373
Trade payables, liabilities and provisions	134,885,027	(27,793,171)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>8,540,006</b>	<b>73,412,563</b>
Direct taxes	(41,259,292)	(22,927,291)
<b>NET CASH (USED IN) / FROM OPERATING ACTIVITIES</b>	<b>(32,719,286)</b>	<b>50,485,272</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(6,751)	(5,636)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,751)</b>	<b>(5,636)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	-	-
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(32,726,037)</b>	<b>50,479,636</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>57,757,157</b>	<b>7,277,521</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>25,031,120</b>	<b>57,757,157</b>
<b>Note: Cash and Cash Equivalents as at end of the year</b>	<b>25,031,120</b>	<b>57,757,157</b>
<b>Cash and Bank balances as per Note 5</b>	<b>25,031,120</b>	<b>57,757,157</b>

Signature to the Statement of Cash Flows  
CJSC "TORRENT PHARMA"

Suprit Agrawal

General Director

Moscow, Russia

Date: 18 April 2022



CJSC "TORRENT PHARMA"  
Notes to the Financial Information

## NOTE - 1 : OTHER FINANCIAL ASSETS

	As at 31-Mar-2022	As at 31-Mar-2021
	RUB	RUB
<b>Current</b>		
Other receivables	2,801,267	6,048,373
	<u>2,801,267</u>	<u>6,048,373</u>

## NOTE - 2 : OTHER CURRENT ASSETS

	As at 31-Mar-2022	As at 31-Mar-2021
	RUB	RUB
<b>Current</b>		
Indirect tax recoverable	12,187,132	10,559,878
	<u>12,187,132</u>	<u>10,559,878</u>

NOTE - 3 : INVENTORIES  
[At lower of cost and net realisable value]

	As at 31-Mar-2022	As at 31-Mar-2021
	RUB	RUB
Finished goods	283,198,166	116,903,048
	<u>283,198,166</u>	<u>116,903,048</u>

## NOTE - 4 : TRADE RECEIVABLES

	As at 31-Mar-2022	As at 31-Mar-2021
	RUB	RUB
Debts over six months from due date		
(a) Considered good	29,879,667	29,837,074
(b) Significant increase in credit risk	1,562,883	1,562,883
Less : Allowance for doubtful trade receivables	1,562,883	1,562,883
	<u>29,879,667</u>	<u>29,837,074</u>
Debts less than six months from due date		
Considered good	346,196,343	293,933,371
	<u>346,196,343</u>	<u>293,933,371</u>
	<u>376,076,010</u>	<u>323,770,445</u>

## NOTE - 5 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-2022	As at 31-Mar-2021
	RUB	RUB
Cash and cash equivalent		
Cash on hand	5,892	5,892
Balances with banks	25,025,228	57,751,265
	<u>25,031,120</u>	<u>57,757,157</u>

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

NOTE - 6 : EQUITY SHARE CAPITAL

	As at 31-Mar-2022 RUB	As at 31-Mar-2021 RUB
Subscribed and paid-up	2,380,200	2,380,200
	<u>2,380,200</u>	<u>2,380,200</u>

NOTE - 7 : OTHER EQUITY

	As at 31-Mar-2022 RUB	As at 31-Mar-2021 RUB
Reserves and surplus		
Retained earnings		
Balance as per last statement of financial position	(406,389)	(79,817,217)
Add: Profit for the current year	14,683,468	79,410,828
Closing balance	<u>14,277,079</u>	<u>(406,389)</u>
Securities premium account	341,988,693	341,988,693
	<u>356,265,772</u>	<u>341,582,304</u>

NOTE - 8 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-2022 RUB	As at 31-Mar-2021 RUB
Current liabilities		
Payables for employee benefits	612,516	-
	<u>612,516</u>	<u>-</u>

NOTE - 9 : PROVISIONS

	As at 31-Mar-2022 RUB	As at 31-Mar-2021 RUB
Current		
Provision for employee benefits	2,376,529	1,915,369
	<u>2,376,529</u>	<u>1,915,369</u>

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

## NOTE - 10 : OTHER CURRENT LIABILITIES

	As at 31-Mar-2022 RUB	As at 31-Mar-2021 RUB
<b>Current</b>		
Payables to statutory and other authorities	87,205	-
	<u>87,205</u>	<u>-</u>

## NOTE - 11 : REVENUE FROM OPERATIONS

	Year Ended 31-Mar-2022 RUB	Year Ended 31-Mar-2021 RUB
<b>Sales</b>		
Sales outside India	864,060,148	751,429,385
	<u>864,060,148</u>	<u>751,429,385</u>

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

	Year Ended 31-Mar-2022 RUB	Year Ended 31-Mar-2021 RUB
Opening inventories		
Finished goods	116,903,048	206,803,823
Less : Closing inventories		
Finished goods	283,198,166	116,903,048
Net (increase) / decrease in inventories	<u>(166,295,118)</u>	<u>89,900,775</u>

## NOTE - 13 : EMPLOYEE BENEFITS EXPENSE

	Year Ended 31-Mar-2022 RUB	Year Ended 31-Mar-2021 RUB
Salaries, wages and bonus	11,631,473	9,014,454
Contribution to provident and other funds	2,485,380	1,943,925
Staff welfare expenses	398,712	525,925
	<u>14,515,565</u>	<u>11,484,304</u>

CJSC "TORRENT PHARMA"  
Notes to the Financial Information (page 4)

## NOTE - 14 : OTHER EXPENSES

	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
	RUB	RUB
Selling, publicity and medical literature expense	28,309,229	12,046,920
Rent	8,078,053	8,078,053
Insurance	4,303,205	5,367,644
General charges	3,282,621	1,639,404
Auditors remuneration and expenses	2,309,000	2,776,000
Professional and legal fees	562,331	713,782
Communication expenses	96,934	118,884
Printing and stationery expenses	96,445	72,680
Sales and turnover taxes	63,967	3,874
Repairs and maintenance	22,039	81,468
	<u>47,123,824</u>	<u>30,898,709</u>

## NOTE - 15: EARNING PER SHARE

	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
	RUB	RUB
The basic and diluted earnings per share [EPS] are:		
Profit for the year	14,683,468	79,410,828
Weighted average number of equity shares	23,802	23,802
EPS (basic and diluted)	<u>617</u>	<u>3,336</u>