
(Company No. 936342-D)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Laboratories Torrent (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for

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*Laboratories Torrent (Malaysia) Sdn. Bhd.
Independent Auditors' Report for the
Financial Year Ended 31 March 2018*

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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 internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the 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 ability of the Company 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 statements of the Company 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.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors 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.

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Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants



Lee Yee Keng
Approval Number: 02880/04/2019 J
Chartered Accountant

Petaling Jaya, Malaysia

Date: 3 May 2018

Laboratories Torrent (Malaysia) SDN.BHD.
Balance Sheet

		As at		Amt. in Lacs	
	Notes	31-Mar-2018	31-Mar-2018	31-Mar-2017	31-Mar-2017
		MYR	INR	MYR	INR
ASSETS					
Non-current assets					
Property, plant and equipment	1	0.88	14.81	0.30	4.40
Non-current tax assets (net)		2.52	42.41	-	-
Deferred tax assets (net)		1.62	27.26	1.16	17.00
		<u>5.02</u>	<u>84.48</u>	<u>1.46</u>	<u>21.40</u>
Current assets					
Inventories	4	47.60	801.06	32.23	472.26
Financial assets					
Trade receivables	5	39.92	671.81	30.18	442.22
Cash and cash equivalents	6	44.31	745.69	23.11	338.63
Other financial assets	2	0.61	10.27	0.17	2.49
Other current assets	3	1.07	18.01	0.47	6.89
		<u>133.51</u>	<u>2,246.84</u>	<u>86.16</u>	<u>1,262.49</u>
TOTAL		<u>138.53</u>	<u>2,331.32</u>	<u>87.62</u>	<u>1,283.89</u>
EQUITY AND LIABILITIES					
Equity					
Equity share capital	7	10.00	168.29	5.00	73.26
Other equity	8	18.03	303.43	6.27	91.87
		<u>28.03</u>	<u>471.72</u>	<u>11.27</u>	<u>165.13</u>
Current liabilities					
Financial liabilities					
Trade payables		110.09	1,852.70	75.12	1,100.74
		<u>110.09</u>	<u>1,852.70</u>	<u>75.12</u>	<u>1,100.74</u>
Other current liabilities	9	0.41	6.90	0.22	3.22
Liabilities for current tax (net)		-	-	1.01	14.80
		<u>110.50</u>	<u>1,859.60</u>	<u>76.35</u>	<u>1,118.76</u>
TOTAL		<u>138.53</u>	<u>2,331.32</u>	<u>87.62</u>	<u>1,283.89</u>

All monetary and non-monetary items in the balance sheet have been translated at closing rate of 1 MYR = Rs. 16.8290 (14.6528)

Laboratories Torrent (Malaysia) SDN.BHD.
Statement of Profit and Loss

	Notes	Year Ended 31-Mar-2018 MYR	Year Ended 31-Mar-2018 INR	Year Ended 31-Mar-2017 MYR	Amt. in Lacs Year Ended 31-Mar-2017 INR
REVENUE					
Revenue from operations	10	239.00	4,022.13	163.64	2,397.78
Other income	11	0.53	8.92	0.21	3.08
Total Revenue		239.53	4,031.05	163.85	2,400.86
EXPENSES					
Purchases of stock-in-trade		188.24	3,167.89	118.53	1,736.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	12	(15.37)	(258.66)	(12.56)	(184.04)
Employee benefits expense	13	35.55	598.27	27.86	408.23
Depreciation and amortisation expense		0.24	4.04	0.06	0.88
Other expenses	14	10.11	170.14	18.88	276.64
Total Expenses		218.77	3,681.68	152.77	2,238.51
PROFIT BEFORE TAX		20.76	349.37	11.08	162.35
TAX EXPENSE					
Current tax		4.47	75.23	1.38	20.22
Deferred tax charge / (credit)		(0.46)	(7.74)	0.84	12.31
		4.01	67.49	2.22	32.53
NET PROFIT FOR THE YEAR		16.75	281.88	8.86	129.82
OTHER COMPREHENSIVE INCOME					
		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16.75	281.88	8.86	129.82

Laboratories Torrent (Malaysia) SDN.BHD.
Notes annexed to and forming part of the Financial Statements

	As at 31-Mar-2018 MYR	As at 31-Mar-2018 INR	As at 31-Mar-2017 MYR	Amt. in Lacs As at 31-Mar-2017 INR
NOTE - 2 : OTHER FINANCIAL ASSETS				
Current				
Security deposits	0.61	10.27	0.17	2.49
	<u>0.61</u>	<u>10.27</u>	<u>0.17</u>	<u>2.49</u>
NOTE - 3 : OTHER ASSETS				
Current				
Claims receivable : indirect tax				
Considered good	0.16	2.69	0.46	6.74
Prepaid expenses	0.91	15.31	0.01	0.15
	<u>1.07</u>	<u>18.00</u>	<u>0.47</u>	<u>6.89</u>
NOTE - 4 : INVENTORIES				
[At lower of cost and net realisable value]				
Finished goods	47.60	801.06	32.23	472.26
	<u>47.60</u>	<u>801.06</u>	<u>32.23</u>	<u>472.26</u>
NOTE - 5 : TRADE RECEIVABLES				
Considered good	39.92	671.81	30.18	442.22
	<u>39.92</u>	<u>671.81</u>	<u>30.18</u>	<u>442.22</u>
NOTE - 6 : CASH AND CASH EQUIVALENTS				
Cash on hand	0.01	0.17	0.02	0.29
Balances with banks	44.30	745.52	23.09	338.33
	<u>44.31</u>	<u>745.69</u>	<u>23.11</u>	<u>338.62</u>
NOTE - 7 : SHARE CAPITAL				
Subscribed and paid-up	10.00	168.29	5.00	73.26
	<u>10.00</u>	<u>168.29</u>	<u>5.00</u>	<u>73.26</u>
NOTE - 8 : OTHER EQUITY				
Retained earnings	18.03	303.43	6.27	91.87
	<u>18.03</u>	<u>303.43</u>	<u>6.27</u>	<u>91.87</u>
NOTE - 9 : OTHER LIABILITIES				
Current				
Payables to statutory and other authorities	0.41	6.90	0.22	3.22
	<u>0.41</u>	<u>6.90</u>	<u>0.22</u>	<u>3.22</u>

Laboratories Torrent (Malaysia) SDN.BHD.

	Year Ended 31-Mar-2018	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017	Amt. in Lacs Year Ended 31-Mar-2017
	MYR	INR	MYR	INR
NOTE - 10 : REVENUE FROM OPERATIONS				
Sales				
Sales outside India	239.00	4,022.13	163.64	2,397.78
	<u>239.00</u>	<u>4,022.13</u>	<u>163.64</u>	<u>2,397.78</u>
NOTE - 11 : OTHER INCOME				
Net foreign exchange gain	0.51	8.58	-	-
Other non-operating income	0.02	0.34	0.21	3.08
	<u>0.53</u>	<u>8.92</u>	<u>0.21</u>	<u>3.08</u>
NOTE - 12 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Opening inventories				
Finished goods	32.23	542.40	19.67	288.22
Less : Closing inventories				
Finished goods	47.60	801.06	32.23	472.26
Net (increase) / decrease in inventories	<u>(15.37)</u>	<u>(258.66)</u>	<u>(12.56)</u>	<u>(184.04)</u>
NOTE - 13 : EMPLOYEE BENEFITS EXPENSE				
Salaries, wages and bonus	31.70	533.48	24.68	361.63
Contribution to provident and other funds	3.36	56.55	2.42	35.46
Staff welfare expenses	0.49	8.25	0.76	11.14
	<u>35.55</u>	<u>598.28</u>	<u>27.86</u>	<u>408.23</u>
NOTE - 14 : OTHER EXPENSES				
Power and fuel	0.06	1.01	0.06	0.88
Repairs and maintenance	0.01	0.17	0.02	0.29
Selling, publicity and medical literature expense	3.27	55.03	2.89	42.35
Travelling, conveyance and vehicle expenses	2.66	44.77	2.40	35.17
Registration expenses	0.88	14.81	0.91	13.33
Rent	0.60	10.10	0.62	9.08
Professional and legal fees	1.02	17.17	0.72	10.55
Communication expenses	0.52	8.75	0.39	5.71
Printing and stationery expenses	0.10	1.68	0.08	1.17
Net foreign exchange Loss	-	-	9.93	145.50
Auditors remuneration and expenses	0.50	8.41	0.53	7.77
General charges	0.49	8.25	0.33	4.84
	<u>10.11</u>	<u>170.15</u>	<u>18.88</u>	<u>276.64</u>

Laboratories Torrent (Malaysia) SDN.BHD.

Note -1 : Property,Plant and Equipment Schedule(LC)

Amt. in lacs

Particulars	Gross Block (At Cost)			Depreciation and amortisation			Net Block
	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 31-Mar-18
PROPERTY,PLANT AND EQUIPMENT							
Furniture & Fixtures	0.30	0.03	0.33	0.15	0.03	0.18	0.14
Office Equipments	0.46	0.80	1.26	0.33	0.21	0.54	0.72
Electric Equipments	0.04	-	0.04	0.02	0.00	0.02	0.01
TOTAL	0.79	0.83	1.63	0.50	0.24	0.74	0.88
Previous Year	0.80	-	0.80	0.44	0.06	0.50	0.30

Property,Plant and Equipment Schedule (INR)

Particulars	Gross Block (At Cost)			Depreciation and amortisation			Net Block
	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 01-Apr-17	Additions during the year	As at 31-Mar-18	As at 31-Mar-18
PROPERTY,PLANT AND EQUIPMENT							
Furniture & Fixtures	5.05	0.46	5.51	2.57	0.51	3.08	2.43
Office Equipments	7.63	13.54	21.18	5.58	3.47	9.05	12.13
Electric Equipments	0.64	-	0.64	0.32	0.06	0.39	0.25
TOTAL	13.32	14.00	27.33	8.47	4.04	12.52	14.81
Previous Year	11.68	-	11.68	6.40	0.88	7.28	4.40