







- 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 auditor's report to the related disclosures in the financial statements 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 financial statements, including the disclosures, and whether the financial statements 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.

**Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 29 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**R.G. MANABAT & CO.**



Virnilo G. YU  
Partner

CPA License No. 108798

SEC Accreditation No. 1574-A, Group A, valid until August 11, 2019

Tax Identification No. 225-454-652

BIR Accreditation No. 08-001987-35-2015

Issued December 28, 2015; valid until December 27, 2018

PTR No. 6615159MD

Issued January 3, 2018 at Makati City

April 25, 2018  
Makati City, Metro Manila

**Torrent Pharma Philippines, Inc.**  
**Balance Sheet**

	Notes	As at 31-Mar-2018 PHP	As at 31-Mar-2018 INR	As at 31-Mar-2017 PHP	Amt. in Lacs As at 31-Mar-2017 INR
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1	59.10	73.63	76.96	99.42
Financial assets					
Other financial assets	2	4.74	5.91	4.74	6.12
Deferred tax assets (net)		718.08	894.66	713.12	921.21
		<u>781.92</u>	<u>974.20</u>	<u>794.82</u>	<u>1,026.75</u>
<b>Current assets</b>					
Inventories	4	1,496.14	1,864.04	1,468.32	1,896.78
Financial assets					
Trade receivables	5	3,293.06	4,102.82	2,942.31	3,800.88
Cash and cash equivalents	6	533.78	665.04	1,375.82	1,777.28
Other financial assets	2	25.35	31.58	24.01	31.02
Other current assets	3	175.42	218.56	211.26	272.91
		<u>5,523.75</u>	<u>6,882.04</u>	<u>6,021.72</u>	<u>7,778.87</u>
<b>TOTAL</b>		<u><b>6,305.67</b></u>	<u><b>7,856.24</b></u>	<u><b>6,816.54</b></u>	<u><b>8,805.62</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	7	385.46	480.24	385.46	497.94
Other equity	8	1,931.18	2,406.06	1,381.28	1,784.34
		<u>2,316.64</u>	<u>2,886.30</u>	<u>1,766.74</u>	<u>2,282.28</u>
<b>Non-current liabilities</b>					
Provisions	10	363.96	453.46	341.90	441.67
		<u>363.96</u>	<u>453.46</u>	<u>341.90</u>	<u>441.67</u>
<b>Current liabilities</b>					
Financial liabilities					
Trade payables		2,971.30	3,701.95	3,767.25	4,866.54
Other financial liabilities	9	65.04	81.03	78.85	101.86
		<u>3,036.34</u>	<u>3,782.98</u>	<u>3,846.10</u>	<u>4,968.40</u>
Other current liabilities	11	113.21	141.05	119.23	154.02
Provisions	10	364.77	454.47	352.06	454.79
Liabilities for current tax (net)		110.75	137.98	390.51	504.46
		<u>3,625.07</u>	<u>4,516.48</u>	<u>4,707.90</u>	<u>6,081.67</u>
<b>TOTAL</b>		<u><b>6,305.67</b></u>	<u><b>7,856.24</b></u>	<u><b>6,816.54</b></u>	<u><b>8,805.62</b></u>

All monetary and non-monetary items in the balance sheet have been translated at closing rate of 1 Pesos = Rs. 1.2459 (1.2918)

**Torrent Pharma Philippines, Inc.**  
**Statement of Profit and Loss**

	Notes	Year Ended 31-Mar-2018 PHP	Year Ended 31-Mar-2018 INR	Year Ended 31-Mar-2017 PHP	Amt. in Lacs Year Ended 31-Mar-2017 INR
<b>REVENUE</b>					
Revenue from operations	12	8,464.04	10,545.35	7,647.08	9,878.50
Other income	13	2.12	2.64	1.59	2.05
<b>Total Revenue</b>		<b>8,466.16</b>	<b>10,547.99</b>	<b>7,648.67</b>	<b>9,880.55</b>
<b>EXPENSES</b>					
Purchases of stock-in-trade		3,965.84	4,941.04	3,554.13	4,591.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	(27.82)	(34.66)	(655.17)	(846.35)
Employee benefits expense	15	1,173.05	1,461.50	1,089.15	1,406.96
Finance costs	16	22.96	28.61	21.78	28.14
Depreciation and amortisation expense		17.86	22.25	16.89	21.82
Other expenses	17	2,566.74	3,197.90	2,330.33	3,010.32
<b>Total Expenses</b>		<b>7,718.63</b>	<b>9,616.64</b>	<b>6,357.11</b>	<b>8,212.12</b>
<b>PROFIT BEFORE TAX</b>		<b>747.53</b>	<b>931.35</b>	1,291.56	1,668.43
<b>TAX EXPENSE</b>					
Current tax		243.43	303.29	777.04	1,003.78
Deferred tax charge / (credit)		(17.21)	(21.44)	(380.06)	(490.96)
		<b>226.22</b>	<b>281.85</b>	396.98	512.82
<b>NET PROFIT FOR THE YEAR</b>		<b>521.31</b>	<b>649.50</b>	<b>894.58</b>	<b>1,155.61</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be reclassified to profit or loss					
Remeasurement of the defined benefit plans		40.85	50.90	(0.74)	(0.96)
Income tax relating to items that will not be reclassified to profit or loss					
Remeasurement of the defined benefit plans		(12.26)	(15.27)	0.22	0.28
<b>Total</b>		<b>28.59</b>	<b>35.63</b>	<b>(0.52)</b>	<b>(0.68)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>549.90</b>	<b>685.13</b>	<b>894.06</b>	<b>1,154.93</b>

**Torrent Pharma Philippines, Inc.**  
**Notes annexed to and forming part of the Financial Statements**

	As at 31-Mar-2018 PHP	As at 31-Mar-2018 INR	As at 31-Mar-2017 PHP	Amt. in Lacs As at 31-Mar-2017 INR
<b>NOTE - 2 : OTHER FINANCIAL ASSETS</b>				
<b>Non-current</b>				
Security deposits	4.74	5.91	4.74	6.12
<b>Current</b>				
Security deposits	16.35	20.37	16.35	21.12
Derivative financial instruments	0.12	0.15	-	-
Other Receivables	8.88	11.06	7.66	9.90
	<u>25.35</u>	<u>31.58</u>	<u>24.01</u>	<u>31.02</u>
	<u>30.09</u>	<u>37.49</u>	<u>28.75</u>	<u>37.14</u>
<b>NOTE - 3 : OTHER ASSETS</b>				
<b>Current</b>				
Claims receivable : Indirect tax				
Considered good	31.76	39.57	67.58	87.30
Employees advances	30.62	38.15	20.26	26.17
Prepaid expenses	113.04	140.84	123.42	159.43
	<u>175.42</u>	<u>218.56</u>	<u>211.26</u>	<u>272.90</u>
<b>NOTE - 4 : INVENTORIES</b>				
[At lower of cost and net realisable value]				
Finished goods	1,496.14	1,864.04	1,468.32	1,896.78
	<u>1,496.14</u>	<u>1,864.04</u>	<u>1,468.32</u>	<u>1,896.78</u>
<b>NOTE - 5 : TRADE RECEIVABLES</b>				
Considered good	3,293.06	4,102.82	2,942.31	3,800.88
	<u>3,293.06</u>	<u>4,102.82</u>	<u>2,942.31</u>	<u>3,800.88</u>
<b>NOTE - 6 : CASH AND CASH EQUIVALENTS</b>				
Cash on hand	10.74	13.38	6.02	7.78
Balances with banks	523.04	651.66	1,369.80	1,769.51
	<u>533.78</u>	<u>665.04</u>	<u>1,375.82</u>	<u>1,777.29</u>
<b>NOTE - 7 : SHARE CAPITAL</b>				
Subscribed and paid-up	385.46	480.24	385.46	497.94
	<u>385.46</u>	<u>480.24</u>	<u>385.46</u>	<u>497.94</u>
<b>NOTE - 8 : OTHER EQUITY</b>				
Retained earnings	1,931.18	2,406.06	1,381.28	1,784.34
	<u>1,931.18</u>	<u>2,406.06</u>	<u>1,381.28</u>	<u>1,784.34</u>

**Torrent Pharma Philippines, Inc.**

	As at 31-Mar-2018 PHP	As at 31-Mar-2018 INR	As at 31-Mar-2017 PHP	Amt. in Lacs As at 31-Mar-2017 INR
<b>NOTE - 9 : OTHER FINANCIAL LIABILITIES</b>				
<b>Current</b>				
Creditors for capital goods	-	-	0.83	1.07
Payables for employee benefits	52.78	65.76	52.32	67.59
Derivative financial instruments	-	-	0.18	0.23
Other payables	12.26	15.27	25.52	32.97
	<u>65.04</u>	<u>81.03</u>	<u>78.85</u>	<u>101.86</u>
<b>NOTE - 10 : PROVISIONS</b>				
<b>Non-current</b>				
Provision for employee benefits	202.63	252.46	193.36	249.78
Provision for sales returns	161.33	201.00	148.54	191.88
	<u>363.96</u>	<u>453.46</u>	<u>341.90</u>	<u>441.66</u>
<b>Current</b>				
Provision for sales returns	364.77	454.47	352.06	454.79
	<u>728.73</u>	<u>907.93</u>	<u>693.96</u>	<u>896.45</u>
<b>NOTE - 11 : OTHER LIABILITIES</b>				
<b>Current</b>				
Payables to statutory and other authorities	113.21	141.05	119.23	154.02
	<u>113.21</u>	<u>141.05</u>	<u>119.23</u>	<u>154.02</u>
<b>NOTE - 12 : REVENUE FROM OPERATIONS</b>				
<b>Sales</b>				
Sales outside India	8,464.04	10,545.35	7,647.08	9,878.50
	<u>8,464.04</u>	<u>10,545.35</u>	<u>7,647.08</u>	<u>9,878.50</u>
<b>NOTE - 13 : OTHER INCOME</b>				
Interest income	2.12	2.64	1.59	2.05
	<u>2.12</u>	<u>2.64</u>	<u>1.59</u>	<u>2.05</u>
<b>NOTE - 14 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening inventories</b>				
Finished goods	1,468.32	1,829.38	813.15	1,050.43
<b>Less : Closing inventories</b>				
Finished goods	1,496.14	1,864.04	1,468.32	1,896.78
Net (increase) / decrease in inventories	<u>(27.82)</u>	<u>(34.66)</u>	<u>(655.17)</u>	<u>(846.35)</u>

**Torrent Pharma Philippines, Inc.**

	Year Ended 31-Mar-2018	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017	Amt. in Lacs Year Ended 31-Mar-2017
	PHP	INR	PHP	INR
<b>NOTE - 15 : EMPLOYEE BENEFITS EXPENSE</b>				
Salaries, wages and bonus	1,036.79	1,291.74	968.61	1,251.25
Contribution to provident and other funds	39.92	49.74	37.65	48.64
Defined benefit retirement plan cost	50.11	62.43	39.78	51.39
Staff welfare expenses	46.23	57.60	43.11	55.69
	<u>1,173.05</u>	<u>1,461.51</u>	<u>1,089.15</u>	<u>1,406.97</u>
<b>NOTE - 16 : FINANCE COSTS</b>				
Other borrowing cost	22.96	28.61	21.78	28.14
	<u>22.96</u>	<u>28.61</u>	<u>21.78</u>	<u>28.14</u>
<b>NOTE - 17 : OTHER EXPENSES</b>				
Power and fuel	3.82	4.76	4.02	5.19
Laboratory goods and testing expense	20.10	25.04	22.80	29.45
Repairs and maintenance	1.30	1.62	0.27	0.35
Selling, publicity and medical literature expense	1,889.40	2,354.00	1,685.10	2,176.81
Travelling, conveyance and vehicle expenses	189.80	236.47	141.85	183.24
Registration expenses	11.69	14.56	9.17	11.85
Rent	107.08	133.41	103.68	133.93
Rates and taxes	57.27	71.35	49.89	64.45
Professional and legal fees	29.72	37.03	13.00	16.79
Communication expenses	73.87	92.03	80.63	104.16
Printing and stationery expenses	6.28	7.82	7.91	10.22
Insurance	3.47	4.32	2.88	3.72
Net foreign exchange Loss	83.80	104.41	95.20	122.98
Auditors remuneration and expenses	3.90	4.86	7.28	9.40
General charges	85.24	106.20	106.65	137.77
	<u>2,566.74</u>	<u>3,197.88</u>	<u>2,330.33</u>	<u>3,010.31</u>



Torrent Pharma Philippines, Inc.

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	Deductions/ Adjustments during the year	As at 31-Mar-18	As at 01-Apr-17	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-18	As at 31-Mar-18
<b>PROPERTY,PLANT AND EQUIPMENT</b>									
Furniture & Fixtures	82.32	-	-	82.32	14.46	13.62	-	28.08	54.24
Office Equipments	30.41	-	-	30.41	21.31	4.24	-	25.55	4.86
<b>Total</b>	<b>112.73</b>	<b>-</b>	<b>-</b>	<b>112.73</b>	<b>35.77</b>	<b>17.86</b>	<b>-</b>	<b>53.63</b>	<b>59.10</b>
Previous Year	93.29	19.44	-	112.73	18.88	16.89	-	35.77	76.96

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	Deductions/ Adjustments during the year	As at 31-Mar-18	As at 01-Apr-17	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-18	As at 31-Mar-18
<b>PROPERTY,PLANT AND EQUIPMENT</b>									
Furniture & Fixtures	102.56	-	-	102.56	18.02	16.97	-	34.99	67.57
Office Equipments	37.89	-	-	37.89	26.55	5.28	-	31.83	6.05
<b>Total</b>	<b>140.45</b>	<b>-</b>	<b>-</b>	<b>140.45</b>	<b>44.56</b>	<b>22.25</b>	<b>-</b>	<b>66.82</b>	<b>73.63</b>
Previous Year	120.52	25.11	-	145.63	24.39	21.82	-	46.21	99.42