

AUDITORS' REPORT TO THE BOARD OF DIRECTORS TORRENT PHARMACEUTICALS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TORRENT PHARMACEUTICALS LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of fifteen subsidiary companies, namely, (1) Zao Torrent Pharma, (2) Torrent Pharma GmbH, (3) Heumann Pharma GmbH & Co. Generica KG, (4) Torrent Do Brasil Ltda, (5) Torrent Pharma Philippines Inc., (6) Torrent Pharma Inc., (7) Torrent Pharma Japan Co. Ltd., (8) Laboratories Torrent S.A. de C.V, (9) Torrent Australasia Pty Ltd., (10) Heunet Pharma GmbH, (11) Norispharm GmbH, (12) Torrent Pharma Canada Inc., (13) Torrent Pharma (Thailand) Co., Limited. (14) Torrent Pharma S.R.L., (15) Torrent Pharma (UK) Limited whose financial statements reflect total assets of ₹ 63,776.32 lacs as at 31st March, 2011, total revenues of ₹ 80,997.83 lacs and net cash inflows amounting to ₹ 16,951.10 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
28th May, 2011