

SCHEDULES

annexed to and forming part of the Financial Statements

	(₹ in lacs)	
	As at 31-Mar-2011	As at 31-Mar-2010
SCHEDULE - 1 : SHARE CAPITAL		
Authorised		
150,000,000 Equity Shares of ₹ 5 each	7,500.00	7,500.00
2,500,000 Preference Shares of ₹ 100 each	2,500.00	2,500.00
	10,000.00	10,000.00
Issued and Subscribed		
84,625,360 Equity Shares of ₹ 5 each	4,231.27	4,231.27
Paid-up		
84,611,360 Equity Shares of ₹ 5 each	4,230.57	4,230.57
Amount originally paid up on 14,000 Equity Shares forfeited	0.35	0.35
	4,230.92	4,230.92

Notes :

- (1) 70,980,592 Equity Shares of ₹ 5 each were allotted as fully paid up bonus shares; out of which 42,305,680 Shares were allotted by way of capitalisation from Capital Redemption Reserve and 28,674,912 Equity Shares were allotted by way of capitalisation from General Reserve.
- (2) 1,244,768 Equity Shares of ₹ 5 each were allotted without payment being received in cash pursuant to the schemes of amalgamation.
- (3) 43,057,736 Equity Shares (previous year 43,057,736 Equity Shares) of ₹ 5 each are held by holding company Torrent Private Limited.

	(₹ in lacs)	
	As at 31-Mar-2011	As at 31-Mar-2010
SCHEDULE - 2 : RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	71.08	71.08
Capital Redemption Reserve		
Balance as per last Balance Sheet	384.71	384.71
Share Premium Account		
Balance as per last Balance Sheet	4,279.88	4,279.88
General Reserve		
Balance as per last Balance Sheet	61,300.00	55,700.00
Add : Transfer from Profit and Loss Account	15,300.00	5,600.00
	76,600.00	61,300.00
Balance in Profit and Loss Account	23,737.93	17,818.57
	105,073.60	83,854.24

	(₹ in lacs)
	As at
	31-Mar-2011
	As at
	31-Mar-2010
SCHEDULE - 3 : SECURED LOANS	
Long Term Loans [Note: 2]	
from Banks [Note: 1(a)]	31,589.62
from a Financial Institution [Note: 1(b)]	3,220.00
Short Term Loans from Banks [Note: 1(c)]	8,037.00
	42,846.62
	25,110.36
	3,680.00
	7,673.80
	36,464.16

Notes:

(1) Loans are secured by :

- (a) First equitable mortgage of immovable fixed assets and hypothecation of moveable fixed assets, present and future, located at formulation manufacturing facilities, Village Indrad; research facilities, Village Bhat; and corporate office, Ahmedabad, all in Gujarat, on pari passu basis.
- (b) First equitable mortgage of immovable fixed assets and hypothecation of moveable fixed assets, present and future, located at formulation manufacturing facilities in Baddi, Himachal Pradesh.
- (c) Hypothecation of inventories and book debts.

(2) The future annual repayment obligations on principal amount for the above long term loans are as under :

Financial year	₹ in lacs
2011-12	11,563
2012-13	7,241
2013-14	7,804
2014-15	5,577
2015-16	2,063
2016-17	562
Total :	34,810

	(₹ in lacs)
	As at
	31-Mar-2011
	As at
	31-Mar-2010
SCHEDULE - 4 : UNSECURED LOANS	
Long Term Loans [Note :1]	
from Banks	10,920.68
from Department of Science and Technology	1,168.40
from Department of Bio-Technology	349.81
Short Term Loans from Banks	1,919.95
	14,358.84
	9,792.63
	793.60
	314.06
	4,875.12
	15,775.41

Note:

(1) The future annual repayment obligations on principal amount for the above long term loans are as under :

Financial year	₹ in lacs
2011-12	147
2012-13	3,825
2013-14 to 2014-15	3,857
2015-16 to 2016-17	217
2017-18	178
2018-19 to 2020-21	47
Total :	12,439

SCHEDULE - 5 : FIXED ASSETS

(₹ in lacs)

Particulars	Gross Block (At Cost)				Depreciation and Amortisation				Net Block	
	As at 1-Apr-10	Additions upto 31-Mar-11	Deductions / Transfers upto 31-Mar-11	As at 31-Mar-11	As at 1-Apr-10	For the period upto 31-Mar-11	On deduction upto 31-Mar-11	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Free Hold Land [Note 4]	4,496.12	3,071.59	-	7,567.71	-	-	-	-	7,567.71	4,496.12
Lease Hold Land	3,640.23	942.21	2,837.58	1,744.86	35.59	75.76	110.51	0.84	1,744.02	3,604.64
Buildings	19,664.21	2,653.88	9.82	22,308.27	3,911.38	603.93	3.16	4,512.15	17,796.12	15,752.83
Plant and Machineries [including Laboratory Equipments]	34,037.76	6,387.61	510.71	39,914.66	12,844.28	3,632.65	384.25	16,092.68	23,821.98	21,193.48
Electrical Equipments	6,299.44	442.92	145.14	6,597.22	2,514.97	482.31	74.18	2,923.10	3,674.12	3,784.47
Furniture and Fixtures	2,803.12	313.57	22.42	3,094.27	1,319.25	301.15	13.46	1,606.94	1,487.33	1,483.87
Office Equipments	3,447.44	500.66	47.59	3,900.51	2,609.19	355.32	23.45	2,941.06	959.45	838.25
Vehicles	1,491.87	386.35	288.37	1,589.85	494.18	142.29	105.04	531.43	1,058.42	997.69
Intangibles being Softwares	1,299.01	476.35	-	1,775.36	887.59	236.01	-	1,123.60	651.76	411.42
TOTAL	77,179.20	15,175.14	3,861.63	88,492.71	24,616.43	5,829.42	714.05	29,731.80	58,760.91	52,562.77
Previous Year	68,078.07	9,481.42	380.29	77,179.20	19,355.25	5,448.63	187.45	24,616.43	52,562.77	

Notes :

- (1) Additions to Research and Development assets during the year are as under :

(₹ in lacs)

Particulars	2010-11	2009-10
Free hold Land	4.18	146.80
Buildings	72.51	243.29
Plant and Machineries [including Laboratory Equipments]	866.95	853.66
Electrical Equipments	29.36	100.79
Furniture and Fixtures	46.45	29.93
Office Equipments	56.45	83.62
Vehicles	28.42	25.30
Intangibles being Softwares	49.69	89.94
Total	1,154.01	1,573.33

- (2) Capital work in progress and advances for capital expenditure on Research and Development assets are as under :

(₹ in lacs)

Particulars	As at 31-Mar-11	As at 31-Mar-10
Capital work in progress	131.54	81.92
Advances for Capital expenditure	65.86	81.22
Total	197.40	163.14

- (3) Depreciation and Amortization for the year includes ₹ 16.80 lacs (previous year ₹ 6.31 lacs) transferred to capital work in progress.
- (4) Freehold Land includes pro-rata cost of Land amounting to ₹ 2,379.06 lacs (previous year ₹ 2,379.06 lacs) owned jointly in equal proportion with Torrent Power Limited, a Company under same management.
- (5) Deductions / Transfers includes ₹ 643.46 lacs and ₹ 2,242.49 lacs of the assets transferred by way of capital contribution to Torrent Pharmaceuticals (Sikkim) and Torrent Pharmaceuticals (Dahej) respectively.

		(₹ in lacs)
		As at 31-Mar-2011
		As at 31-Mar-2010
SCHEDULE - 6 : INVESTMENTS		
LONG TERM INVESTMENTS [At Cost]		
Investment in Subsidiaries, Unquoted		
Zao Torrent Pharma	5400	2,308.49
Fully paid up Equity Shares of Russian Roubles 100 each		2,308.49
Less : Provision for diminuation in value		2,308.49
		-
Torrent Do Brasil Ltda	191444418	3,111.04
Fully paid up Equity Shares (Quotas) of Brazilian Real 1 each		3,111.04
Torrent Pharma Gmbh : Equity Capital	-	3,645.29
Torrent Pharma Inc.	12000	498.78
Fully paid up Common Stock of USD 100 each		498.78
Torrent Pharma Philippines Inc	55852	91.64
Fully paid up Equity Shares of Philippines Pesos 200 each		91.64
Laboratorios Torrent , S.A. De C.V.	68892	2,577.08
Fully paid up Equity Shares of Mexican Pesos 1000 each [previous year number of units: 42035]		1,587.73
Torrent Pharma Japan Co. Ltd	-	-
[previous year : fully paid up (number of units - 200) Equity Shares of Japanese Yen 50000 each]		38.30
Torrent Australasia Pty Limited	675000	29.94
Partly paid up Common Stock of Australian Dollar (AUD) 1 each, AUD 0.1282 paid each		29.94
Torrent Pharma Canada Inc.	334279	149.12
Fully paid up Equity Shares of Canadian Dollar 1 each [previous year number of units: 60750]		27.32
Torrent Pharma SRL	27000	161.28
Fully paid up Equity Shares of Euro 10 each		-
Torrent Pharma (UK) Ltd.	100000	73.49
Fully paid up Equity Shares of United Kingdom's Sterling 1 each		-
Torrent Pharma (Thailand) Co.Ltd.	1000000	74.32
Fully paid up Equity Shares of 1 Thaibhat each		-
		10,411.98
		9,030.04
Investment in Capital of Partnership Firms [Note 1]		
Torrent Pharmaceuticals (Sikkim)		12,113.06
Torrent Pharmaceuticals (Dahej)		5,928.47
		18,041.53
		-
Trade Investments, Unquoted		
York Pharma Plc. - Fully paid up Equity Shares of United Kingdom's Sterling 0.05 each	63056	155.60
Less: Provision for diminution in value		155.60
		-
GPC Cayman Investors I Ltd. - Fully paid up Equity Shares of USD 10 each [previous year number of units: 442918]	463301	1,996.82
		1,901.49
Shivalik Solid Waste Limited - Fully paid up Equity Shares of ₹ 10 each	20000	2.00
		1,998.82
		1,903.49
Non-Trade Investments, Unquoted		
National Savings Certificates		1.10
Aggregate Long Term Investments		30,453.43
		10,934.63

(₹ in lacs)

		As at 31-Mar-2011	As at 31-Mar-2010
CURRENT INVESTMENTS	No. of Units		
Non-Trade Investments, Unquoted			
Units of Mutual Fund Schemes - Debt and Gilt Funds			
Prudential ICICI Liquid Plan - Institutional Growth	2372981	3,398.91	-
Birla Sunlife Cash Plus - Institutional Premium - Growth	24690690 [7468767]	3,857.16	1,099.88
IDFC Cash Fund - Plan C	32685023	3,895.00	-
Tata Liquid Super High Investment Fund - Appreciation	19255	347.71	-
Birla Sunlife Savings Fund - Institutional Growth	[15935644]	-	2,777.04
ICICI Prudential Flexible Income Plan Premium - Growth	[1327134]	-	2,259.84
Tata Floater Fund - Growth	[16522513]	-	2,251.90
HDFC Floating Rate Income Fund - Short Term Plan	[10504398]	-	1,616.23
IDFC Money Manager - Treasury Plan - Growth	[11321194]	-	1,227.54
Kotak Floater Long Term - Growth	[6806938]	-	980.53
HDFC Cash Management Fund Saving - Growth	5370806	1,100.00	-
Aggregate Current Investments - Unquoted [Note 2 & 3]		12,598.78	12,212.96
Aggregate Investments - Unquoted		43,052.21	23,147.59

Notes :

(1) Disclosures in respect of investments in partnership firms :

(₹ in lacs)

Name of the Firm	Name of Partner	Share in Partnership	Capital
Torrent Pharmaceuticals (Sikkim)	Torrent Pharmaceuticals Limited	97%	12,113.06
	Torrent Employee's Welfare Trust	3%	40.50
Torrent Pharmaceuticals (Dahej)	Torrent Pharmaceuticals Limited	97%	5,928.47
	Torrent Employee's Welfare Trust	3%	120.00

(2) Aggregate NAV of investment in Mutual Funds as on 31-Mar-2011 is ₹ 12,664.12 lacs. [previous year ₹ 12,306.01 lacs]

(3) Details of current investments bought and sold during the year are as under :

(₹ in lacs)

Name of Mutual Fund Scheme	Purchase		Sale	
	Nos.	Amount	Nos.	Amount
Birla Sunlife Savings Fund – Institutional Growth	45,283,279	7,985.93	61,218,923	10,823.42
Birla QIP Series 4	8,406,964	1,000.00	8,406,964	1,015.78
ICICI Prudential Flexible Income Plan Premium – Growth	7,971,011	13,786.91	9,298,144	16,113.08
Tata Floater Fund – Growth	32,975,044	4,575.97	49,497,557	6,872.57
HDFC Floating Rate Income Fund – Short Term Plan	22,966,720	3,650.54	33,471,119	5,321.25
IDFC Money Manager – Treasury Plan – Growth	14,975,256	1,645.22	26,296,451	2,889.91
Birla Sunlife Cash Plus – Institutional Premium – Growth	263,402,824	39,964.20	246,180,901	37,294.77
Kotak Floater Long Term – Growth	53,659,307	7,901.07	60,466,245	8,943.27
Prudential ICICI Liquid Plan – Institutional Plus – Growth	32,202,598	44,898.08	29,829,617	41,571.26
HDFC Cash Management Fund Saving – Growth	105,505,824	21,009.08	100,135,018	19,927.81
TATA Liquid Super High Investment Fund – Appreciation	2,025,434	35,498.30	2,006,179	35,244.68
IDFC Cash Fund – Growth Fund	185,906,378	21,580.00	153,221,355	17,754.54
Fidelity FMP Series II – Plan E	10,000,000	1,000.00	10,000,000	1,016.89
Kotak Liquid Growth Fund – Institutional Premium	142,808,691	27,180.90	142,808,691	27,253.82
Kotak QIP Series 1	8,199,208	1,000.00	8,199,208	1,015.90
Kotak Floater Short Term – Growth	25,538,842	4,000.00	25,538,842	4,012.37
Total		236,676.17		237,071.32

		As at 31-Mar-2011	(₹ in lacs) As at 31-Mar-2010
SCHEDULE - 7 : INVENTORIES			
[At lower of cost or net realisable value]			
Raw Materials		14,878.01	10,395.66
Packing Materials		1,962.44	1,504.68
Goods in Process		6,373.24	3,628.12
Finished Goods		8,666.19	5,386.97
Traded Goods		2,402.62	1,872.91
		34,282.50	22,788.34
SCHEDULE - 8 : SUNDRY DEBTORS			
[Unsecured]			
Debts over six months			
Considered Good		8,955.47	4,394.34
Considered Doubtful		1,170.98	1,104.53
Less : Provision		1,170.98	1,104.53
		8,955.47	4,394.34
Other Debts - Considered Good	21 [9]	25,045.90	21,584.11
		34,001.37	25,978.45
SCHEDULE - 9 : CASH AND BANK BALANCES			
Cash on hand		0.70	4.52
With Scheduled Banks in:			
(a) Current Accounts	21 [8]	2,140.82	977.43
(b) Term Deposit Accounts	21 [8]	24,253.10	33,517.05
		26,393.92	34,494.48
With Non - Scheduled Banks in Current Accounts			
- Vneshtorg Bank [USD] - Moscow, Russia		0.01	67.72
- Vneshtorg Bank [Rouble] - Moscow, Russia		53.36	16.13
- Bank for Foreign trade of Vietnam [USD] - Ho Chi Minh, Vietnam		26.71	76.20
- OTP Bank [UAH] - Kiev, Ukraine		33.76	10.55
- HSBC [USD] - Singapore		4.47	4.52
- Taib Kazakh Bank [USD] - Almaty, Kazakisthan		16.04	4.54
- Asaka Bank [UZS] - Tashkent, Uzbekistan		0.03	0.07
- Asaka Bank [USD] - Tashkent, Uzbekistan		3.57	0.18
		137.95	179.91
		26,532.57	34,678.91

Note: Details of maximum amount outstanding in Non-Scheduled Banks in current accounts during the year are as under :

	2010-11	(₹ in lacs) 2009-10
- Vneshtorg Bank [USD] - Moscow, Russia	155.55	196.49
- Vneshtorg Bank [Rouble] - Moscow, Russia	88.44	75.57
- Bank for Foreign Trade of Vietnam [USD] - Ho Chi Minh, Vietnam	86.53	100.82
- OTP Bank [UAH] - Kiev, Ukraine	33.76	10.55
- OTP Bank [USD] - Kiev, Ukraine	35.85	23.36
- HSBC [USD] - Singapore	4.72	5.11
- Taib Kazakh Bank [KZT] - Almaty, Kazakisthan	16.04	10.41
- Taib Kazakh Bank [USD] - Almaty, Kazakisthan	31.59	30.97
- Asaka Bank [UZS] - Tashkent, Uzbekistan	0.16	0.06
- Asaka Bank [USD] - Tashkent, Uzbekistan	26.19	3.73

	SCHEDULE	As at 31-Mar-2011	(₹ in lacs) As at 31-Mar-2010
SCHEDULE - 10 : OTHER CURRENT ASSETS			
[Unsecured and considered good, unless otherwise stated]			
Export Benefits Receivable		3,797.56	2,479.46
Claims Receivable : Indirect tax / Insurance			
Considered Good		1,743.46	933.17
Considered Doubtful		1.54	143.97
Less : Provision		1.54	143.97
		1,743.46	933.17
Interest accrued on loans and deposits		607.50	294.86
		6,148.52	3,707.49
SCHEDULE - 11: LOANS AND ADVANCES			
[Unsecured and considered good, unless otherwise stated]			
Loans and Advances to Subsidiary Companies	21 [10]		
Considered Good		763.47	1,132.97
Considered Doubtful		-	1,400.40
Less : Provision		-	1,400.40
		763.47	1,132.97
Advances recoverable in cash or in kind or for value to be received		11,218.93	9,830.04
Advances to gratuity trust fund	21 [12]	18.48	-
Balances with Excise Department		0.05	0.36
Advance Tax Paid Net of Provisions [Provisions ₹ 27,962.22 lacs (previous year ₹ 23,109.34 lacs)]		512.94	414.81
		12,513.87	11,378.18
SCHEDULE - 12 : CURRENT LIABILITIES			
Sundry Creditors			
Due to Micro, Small and Medium Enterprises	21 [11]	5.32	4.64
Others		32,805.15	26,161.90
Due to Subsidiary Companies		1,757.52	357.11
Book Overdraft		1,737.93	1,487.46
Investor Education and Protection Fund - Unclaimed Dividend [not due]		54.62	46.42
Other Liabilities		1,043.95	637.40
Advances from customers		903.49	1,128.74
Advances Received from Subsidiary Companies		385.80	-
Interest accrued but not due		188.93	168.74
		38,882.71	29,992.41
Note : The Investor Education and Protection Fund is credited by the amounts unclaimed and outstanding on the relevant due date.			
SCHEDULE - 13 : PROVISIONS			
Proposed Dividend		6,768.91	5,076.68
Add: Tax on Distributed Profits		1,098.09	843.17
		7,867.00	5,919.85
Provisions for Employee Benefits in respect of			
Gratuity	21 [12]	-	131.85
Leave benefits		2,619.46	2,155.74
Long term compensation		25.66	47.82
		10,512.12	8,255.26

		(₹ in lacs)	
	SCHEDULE	Year ended 31-Mar-2011	Year ended 31-Mar-2010
SCHEDULE - 14 : SALES AND OPERATING INCOME			
Sales			
Domestic		105,904.90	92,060.89
Less : Excise Duty collected	21 [4]	326.41	267.63
Net Domestic Sales		105,578.49	91,793.26
Exports		62,456.77	46,817.12
		168,035.26	138,610.38
Operating Income			
Export Benefits		3,405.12	2,635.37
Income from Product Registration Dossiers [Tax deducted at source ₹ 41.91 lacs, (previous year ₹ 376.15 lacs)]		2,811.59	2,092.09
Net Foreign Exchange Gain	21 [13]	2,655.55	1,045.02
Other Operating Income		912.02	512.72
		9,784.28	6,285.20
		177,819.54	144,895.58
SCHEDULE - 15 : OTHER INCOME			
Profit on Sale of Non-Trade Investments		786.74	889.25
Miscellaneous Income		17.02	10.98
		803.76	900.23
SCHEDULE - 16 : MATERIALS COST			
Materials Consumed			
Raw Materials		49,368.31	35,006.68
Packing Materials		8,209.51	5,574.51
		57,577.82	40,581.19
Purchase of Traded Goods			
		9,054.18	6,168.10
(Increase) / Decrease in Stock			
Opening Stocks			
Finished Goods		5,386.97	5,616.07
Traded Goods		1,872.91	1,319.77
Goods in Process		3,628.12	4,099.94
		10,888.00	11,035.78
Less: Closing Stocks			
Finished Goods		8,666.19	5,386.97
Traded Goods		2,402.62	1,872.91
Goods in Process		6,373.24	3,628.12
		17,442.05	10,888.00
Net (Increase) / Decrease in Stock			
		(6,554.05)	147.78
		60,077.95	46,897.07
SCHEDULE - 17 : EMPLOYEES COST			
[Other than those included in Research and Development Expenses and Pre-operative Expenses]			
Salaries, Wages and Bonus		19,636.02	14,692.69
Contribution to Provident and Other Funds [Defined Contribution Plan]		1,343.20	950.77
Gratuity Cost	21 [12]	525.38	279.87
Welfare Expenses		599.55	463.35
		22,104.15	16,386.68

		(₹ in lacs)	
	SCHEDULE	Year ended 31-Mar-2011	Year ended 31-Mar-2010
SCHEDULE - 18 : MANUFACTURING AND OTHER EXPENSES			
[Other than those included in Research and Development Expenses and Pre-operative Expenses]			
Power and Fuel		3,774.43	2,694.55
Stores and Spares Consumed		2,369.78	1,489.64
Labour Charges		1,427.31	1,236.81
Job Work Charges		903.11	651.55
Laboratory Goods and Testing Expenses		725.16	482.32
Excise Duty	21 [4]	191.25	148.57
Repairs and Maintenance :			
Machinery		352.79	394.45
Buildings		324.57	199.85
Others		184.59	159.71
		861.95	754.01
Selling, Publicity and Medical Literature Expenses		16,293.13	11,728.91
Commission on Sales		1,251.08	1,142.03
Sales and Turnover Taxes		160.75	346.69
Provision for Doubtful Debts		66.45	175.82
Bad Debts Written-off		4.83	5.05
Travelling, Conveyance and Vehicle Expenses		3,829.57	3,423.03
Liaison Support Services		2,533.28	215.05
Communication Expenses		633.70	565.47
Printing and Stationery Expenses		245.31	207.82
Insurance		316.00	210.17
Rent		565.21	441.87
Rates and Taxes		37.53	27.42
Loss on Sale / Discard / Write-off of Fixed Assets		98.20	87.27
Loss on Disposal of Investment in Subsidiary Company		4.24	-
Provision on Assets held for Sale		3.44	(1.96)
Auditors Remuneration and Expenses			
Audit Fees		10.81	6.67
Other Services		17.02	10.32
Out of Pocket Expenses		1.28	0.97
		29.11	17.96
Cost Audit Fees		3.36	3.28
Commission to Non Executive Directors		279.26	26.79
Donation		1,118.40	705.75
General Charges		3,485.38	2,616.46
		41,211.22	29,402.33
SCHEDULE - 19 : NET BORROWING COST			
[Other than those included in Research and Development Expenses]			
Expenses			
Interest on Fixed Period Loans		2,860.31	2,444.40
Other Borrowing Cost	21 [13]	994.51	444.05
		3,854.82	2,888.45
Interest Income [Tax Deducted at source ₹ 241.41 lacs (previous year ₹ 60.61 lacs)]		2,437.73	1,209.13
		1,417.09	1,679.32

SCHEDULE 20 : SIGNIFICANT ACCOUNTING POLICIES

1. Basis for Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP includes provisions of the Companies Act, 1956, Accounting Standards (AS) notified by the Government of India under Section 211 (3C) of the Companies Act, 1956, pronouncements of Institute of Chartered Accountants of India and guidelines issued by Securities and Exchange Board of India. Except where otherwise stated, the accounting principles are consistently applied.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognised in the period in which the results are known or materialise.

3. Fixed Assets

- (a) Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset includes non-refundable taxes and levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of qualifying fixed assets are capitalised to respective assets when the time taken to put the assets to use is substantial.
- (b) Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of project costs and are capitalised. Such expenses are capitalised only if the project to which they relate involve substantial expansion of capacity or upgradation.
- (c) Certain software costs are capitalised and recognised as intangible assets in terms of Accounting Standard 26 on Intangible Assets based on materiality, accounting prudence and significant economic benefits expected to flow there from for a period longer than one year.
- (d) Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.
- (e) Fixed Assets that have been retired from their active use and held for disposal, are classified as current assets, and are stated at lower of their cost or net realisable value.

4. Depreciation and Amortisation

- (a) Depreciation on fixed assets is provided on straight line method on the basis of the depreciation rates prescribed in Schedule XIV of the Companies Act, 1956 or based on useful life of the asset as estimated by the management, whichever is higher.

The management estimates of the useful life of various categories of fixed assets are given below:

Office Buildings	58 years
Factory Buildings	28 years
Plant and Machinery	10 to 20 years
Laboratory Equipments	5 to 20 years
Electrical Equipments	10 to 20 years
Furniture and Fixtures	10 years
Office Equipments	10 years
Computer Equipments	3 years
Vehicles	10 years

- (b) Cost of leasehold land (except for lease of long tenure) is amortised over the period of the lease. Cost of lease hold land where lease period is of long tenure and substantial rights of ownership are with lessee, is not amortised.

- (c) The Capitalised Software costs are amortised using the straight-line method over estimated useful life of 3 to 5 years, as estimated at the time of capitalization.

5. Investments

- (a) Long term investments are stated at cost. Provision is made to recognise any diminution in value, other than that of a temporary nature.
- (b) Current investments are carried at lower of cost and fair value. Diminution in value is charged to the profit and loss account.

6. Cash Flow Statement

The Cash Flow Statement is prepared under the “Indirect Method” as set out in AS - 3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.

7. Inventories

Inventories are valued at the lower of cost and net realisable value. Provision for impairment is made when there is high uncertainty in salability of an item. Cost of inventories is determined on the following basis:

- (a) Cost of raw material and packing material is determined on moving average basis.
- (b) Work in process is determined on weighted average basis.
- (c) Cost of finished goods produced is determined on weighted average basis.
- (d) Cost of finished goods (traded) is determined on moving average basis.

8. Revenue Recognition

- (a) Revenue from sale of goods is recognised when the significant risks and rewards of ownership of goods are transferred to the customer. Sales are net of discounts, VAT/sales tax and returns; excise duties collected on sales are shown by way of deduction from sales.
- (b) Income from services is recognised when the services are rendered or when contracted milestones have been achieved.
- (c) Revenue from arrangements which includes performance of obligations is recognised in the period in which related performance obligations are completed.
- (d) Export entitlements are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (e) Dividend income is recognised when the right to receive dividend is established.
- (f) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
- (g) Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

9. Employees Retirement and Other Benefits

- (a) The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan), is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain / loss are expensed to the profit and loss account of the year as Employees Costs.
- (b) The Company’s contribution in case of defined contribution plans (Provident Fund, Superannuation benefit and other funds) is charged to profit and loss account as and when it is incurred as Employee Costs.
- (c) Long term compensation plan to employees (being deferred compensation paid 12 months or more after the end of the period in which it is earned) are expensed out in the period to which the costs relate at present value of the benefits under the plan.
- (d) The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at Balance Sheet date.

10. Government Grants

- (a) Government grants are recognised when there is reasonable assurance that the grant will be received and all relevant conditions are complied with.
- (b) Grants received by way of investment subsidy scheme in relation to total investment are credited to capital reserve and are treated as part of owners’ fund.
- (c) Grants that compensate expenses are recognized on receipt basis and are shown as deduction from the related expenses for which they are intended to compensate.

11. Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

12. Cenvat Credit

Cenvat (Central value added tax) credit in respect of Excise, Custom and Service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance of cenvat credit is reviewed at the end of each year and amount estimated to be un-utilisable is charged to the profit and loss account for the year.

13. Stores and Spares

Stores and spares (other than spares acquired with fixed assets) are charged to the profit and loss account as and when purchased.

14. Software Costs

Expenditure incurred for procuring, developing, improving and maintaining software programs are charged to the profit and loss account as and when incurred, except when capitalised in accordance with Note 3 (c) above.

15. Research and Development

Research and Development expenses are charged to revenue. Capital expenditure on research and development is reported as fixed assets under the relevant head. Depreciation on research and development fixed assets is included under depreciation expense.

16. Leases

Lease rentals in respect of assets taken on operating lease are charged to the profit and loss account on accrual and on straight line basis over the lease term.

17. Accounting for Tax

- (a) Current Tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of Income Tax Act, 1961.
- (b) Deferred Tax resulting from "timing differences" between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. Net deferred tax liability is arrived at after setting off deferred tax assets.

18. Foreign Currency Transactions and Balances

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.
- (b) The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expense of the period in which they arise.
- (c) In case of forward contracts, to which AS 11, The Effects of Changes in Foreign Exchange Rate applies, the difference between the forward rate and the exchange rate on the date of the contract is recognised as income or expense over the life of the contract. Exchange differences on such a contract are recognised in the profit and loss account in the period in which the exchange rates change. Derivatives not covered under AS 11 are marked to market at balance sheet date and resulting loss, if any, is recognised in the profit and loss account in view of the principle of prudence as per Announcement on Accounting of Derivatives by Institute of Chartered Accountants of India dated 29-Mar-2008.
- (d) Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account. The Company has not exercised the option for capitalisation or amortisation of exchange differences on long term foreign currency monetary items as provided by notification dated 31-Mar-2009, issued by the Ministry of Corporate Affairs.
- (e) Investments in shares of foreign subsidiaries and other entities are expressed in reporting currency at the rates of exchange prevailing at the time when the original investments were made.

19. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are of contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

SCHEDULE - 21 : NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31-Mar-2011	(₹ in lacs) As at 31-Mar-2010
1. Estimated amount of unexecuted capital contracts [net of advances] not provided for	3,509.19	6,340.02
2. Contingent Liabilities not provided for in respect of :		
(a) Claims against the Company not acknowledged as debts		
Disputed Demand of Income Tax for which appeals have been preferred	153.17	227.66
Disputed Employee State Insurance Contribution Liability under E.S.I. Act, 1948	390.98	287.54
Disputed Legal cases for supply of Goods and Services	1.78	122.90
Disputed Demand of Excise and Service Tax	72.16	30.31
Disputed Demand of Local Sales Tax and C.S.T.	65.32	70.56
Disputed cases at Labour Court / Industrial Court	92.67	62.36
	776.08	801.33
(b) The Company has issued guarantees aggregating USD 20.00 lacs (previous year USD 20.00 lacs) and EURO 45.00 lacs (previous year EURO 45.00 lacs) to secure lines of credit to its wholly owned subsidiaries. The outstanding amount of liabilities by the subsidiaries as on balance sheet date, converted at closing exchange rate, is	527.81	149.22
(c) The Company has issued guarantee aggregating ₹ 200.00 lacs (previous year ₹ Nil) for borrowing a demand loan at "Torrent Pharma Employee Welfare Trust". The outstanding amount of liabilities by the said trust as on balance sheet date, is	162.50	-
(d) Uncalled liability on partly paid shares of Torrent Australasia Pty Limited, a wholly owned subsidiary. [Australian Dollar (AUD) 5.88 lacs (previous year AUD 5.88 lacs)]	271.52	243.29
3. The components of the deferred tax balance are set out below:		
Deferred Tax Liabilities		
Excess of depreciation claimed under the income tax law over that debited to profit and loss accounts	7,555.20	7,526.00
Advances for Gratuity	6.00	-
Deferred Tax Assets		
Provision for Leave Salary	(849.89)	(716.08)
Bonus Payable	(160.36)	(144.50)
Provision for Gratuity	-	(43.60)
Provision for Doubtful Debts	(379.92)	(366.90)
Provision for Doubtful Claim Receivables	(0.50)	(47.83)
	6,170.53	6,207.09
4. Excise Duty shown as deduction from Domestic Sales represents the amount of excise duty collected on sales. Excise duty expenses under Schedule - 18, "Manufacturing and Other Expenses", represents the difference between excise duty element in closing stocks and opening stocks, excise duty paid on samples and on inventory write-off, which is not recoverable from sales.		

5. Pre-operative expenses allocated to projects during the year are as under :

	(₹ in lacs)	
	2010-11	2009-10
Employees Cost		
Salaries, Wages and Bonus	808.88	174.52
Contribution to Provident, and Other Funds [Defined Contribution Plan]	85.34	17.24
Gratuity Cost	29.95	5.61
	924.17	197.37
Power and Fuel	108.25	112.01
Stores and Spared consumed	147.05	-
Labour Charges	37.99	1.73
Travelling, Conveyance and Vehicle Expenses	103.58	29.44
Communication Expenses	2.27	0.07
Printing and Stationery Expenses	23.36	2.01
Insurance	5.05	17.11
Rent	20.62	-
Rates and Taxes	32.00	-
Depreciation	16.80	6.31
General Charges	405.95	63.97
	1,827.09	430.02

6. (a) Break-up of Research and Development expenses included in Profit and Loss Account :

	(₹ in lacs)	
	2010-11	2009-10
Employees Costs		
Salaries, Wages and Bonus	4,500.97	3,611.92
Contribution to Provident, and Other Funds [Defined Contribution Plan]	373.32	293.77
Gratuity Cost	92.48	79.93
Welfare Expenses	125.50	108.19
	5,092.27	4,093.81
Power and Fuel	432.71	471.41
Stores and Spares Consumed	962.80	919.99
Labour Charges	133.81	117.86
Laboratory Goods and Testing Expenses	1,647.47	1,715.91
Clinical Research Expenses	1,745.41	1,840.83
Repairs and Maintenance	263.57	246.65
Travelling, Conveyance and Vehicle Expenses	233.59	231.28
Communication Expenses	129.04	90.21
Printing and Stationery Expenses	64.02	52.44
Insurance	72.57	54.87
Rent	-	0.22
Rates and Taxes	11.82	4.40
Interest on Fixed Period Loans	47.62	28.83
Government Grant Income	(8.93)	(78.52)
General Charges	1,349.66	1,116.69
	12,177.43	10,906.88

(b) The Government Grant income during the year represents grant received from the Department of Biotechnology for development of Diiodothyronine (T2) analogue, a New Chemical Entities [NCE] project.

(c) Depreciation and Amortisation includes ₹ 1,670.31 lacs (previous year ₹ 1,919.90 lacs) pertaining to Research and Development assets.

7. The basic and diluted Earnings Per Share [EPS] are :

			2010-11	2009-10
Net profit for the period	(a)	[₹ in lacs]	29,086.36	20,736.77
Weighted average number of equity shares	(b)	[Nos. in lacs]	846.11	846.11
EPS (basic and diluted)	(a) / (b)	[₹]	34.38	24.51
Nominal value per equity share		[₹]	5.00	5.00

8. Cash and cash equivalents includes :

			As at 31-Mar-2011	As at 31-Mar-2010
(a) Term Deposit lodged with Banks as securities		(₹ in lacs)	3.05	3.05
(b) Balances with scheduled banks in current accounts for unclaimed dividend			54.71	46.50

9. Sundry Debtors in Schedule - 8 include debts due from Torrent Power Limited, a company under the same management as per section 370(1B) of the Companies Act, 1956 amounting to ₹ 2.39 lacs (previous year ₹ Nil).

10. (a) The details of loans given by the Company to its wholly owned subsidiaries are as under :

(₹ in lacs)

Name of subsidiary	Loan Given		Maximum amount Outstanding during the year	Balance as at	
	2010-11	2009-10		31-Mar-2011	31-Mar-2010
Torrent Pharma Philippines Inc.	-	-	235.40	223.25	225.70
Zao Torrent Pharma	-	-	907.27	540.22	907.27
Total	-	-		763.47	1,132.97

(b) Other than above, the Company has not given any loans or advances in the nature of loan to any of its subsidiaries and associates or firms / companies, in which Directors are interested.

(c) There are no loans where either repayment schedule is not prescribed or repayment is scheduled beyond seven years.

(d) Loan given to Zao Torrent Pharma, a wholly owned subsidiary, is at nil interest rate. There are no other loans where either no interest is charged or interest is below the rate specified in section 372A of the Companies Act, 1956.

11. Disclosures required by the Micro, Small and Medium Enterprises Development [MSMED] Act, 2006 are as under :

			2010-11	2009-10
(a) (i) The principal amount remaining unpaid at the end of the year		(₹ in lacs)	5.32	4.64
(ii) Interest due on principal remaining unpaid at the end of the year			-	0.01
			5.32	4.65
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year			74.55	8.46
(ii) Interest actually paid under Section 16 of the MSMED Act			-	-
(c) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms			1.82	0.07
(d) Total Interest accrued during the year and remaining unpaid			1.83	0.14

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

12. The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is accounted as per Accounting Standard 15 (revised 2005) "Employee Benefits".

General Description of the Plan :

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

	(₹ in lacs)	
	2010-11	2009-10
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at the beginning of the year	2,642.20	2,007.75
Current service cost	562.24	290.97
Interest cost	198.17	156.93
Liabilities transferred out	(28.53)	-
Actuarial loss	169.59	300.14
Benefits paid / payable	(346.07)	(113.58)
Obligations at the end of the year	<u>3,197.60</u>	<u>2,642.21</u>
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Plan assets at the beginning of the year, at fair value	2,510.36	1,641.32
Expected return on plan assets	240.24	206.66
Actuarial gain / (loss)	41.93	175.96
Contributions	600.00	600.00
Benefits paid	(176.45)	(113.58)
Plan assets at the end of the year	<u>3,216.08</u>	<u>2,510.36</u>
Actual return on plan assets	<u>282.17</u>	<u>382.62</u>
(c) Gratuity cost for the year :		
Current service cost	562.24	290.97
Interest cost	198.17	156.93
Expected return on plan assets	(240.24)	(206.66)
Net Actuarial (gain) / loss	127.66	124.18
Net gratuity cost	<u>647.83</u>	<u>365.42</u>
(d) (i) Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :		
Obligations at the end of the year	3,197.60	2,642.21
Plan assets at the end of the year, at fair value	3,216.08	2,510.36
(Asset) / Liability recognised in Balance sheet	<u>(18.48)</u>	<u>131.85</u>
(ii) Experience adjustments gain / (loss)		
Plan liabilities	233.55	(72.10)
Plan assets	41.93	175.96
(e) Expected contribution for the next year	600.00	600.00

(f) Past four years data for defined benefit obligation and fair value of plan assets are as under :

Particulars	2006-07	2007-08	2008-09	2009-10
Present value of defined benefit obligations at the end of the year [independent actuary]	1,219.00	1,366.67	2,007.75	2,642.21
Fair value of plan assets at the end of the year	779.48	1,182.02	1,641.32	2,510.36
(Net assets)/ liability at the end of year	439.52	184.65	366.43	131.85

(g) Assumptions	2010-11	2009-10
Discount rate	8.00%	7.50%
Expected rate of return on plan assets	9.57%	9.46%
Salary escalation rate	10.00%	10.00%

Expected long term productivity gains and long term risk-free real rate of interest have been used as guiding factors to determine long term salary growth.

Future mortality rates are obtained from relevant data of Life Insurance Corporation of India.

(h) Investment details of plan assets :

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited who has invested the funds substantially as under :

	2010-11	2009-10
Equity Instruments	20.97%	25.71%
Corporate Bonds	46.67%	45.27%
Government Securities	16.98%	26.78%
Fixed Deposits with Banks	15.38%	2.24%

13. Foreign Exchange Gain / (Loss) included in the net profit for the year :

	2010-11	2009-10
Net Foreign Exchange Gain, included in Sales and Operating Income, as per Schedule 14	2,655.55	1,045.02
Add / (Less) :		
(a) Net Foreign Exchange Loss on foreign currency borrowings to the extent regarded as an adjustment to interest cost, included as Other Borrowing Cost in Schedule 19.	(910.87)	(401.78)
(b) MTM Loss on forward exchange contracts to hedge the foreign currency risk of highly probable forecast transactions accounted in view of the principle of prudence.	508.99	13.24
Total Foreign Exchange Gain as per Accounting Standard 11	2,253.67	656.48

	(₹ in lacs)	
	2010-11	2009-10
14. (a) The Profit & Loss Account includes remuneration paid to Managerial Personnel :		
Salary and allowances	270.27	388.42
Commission to Managerial Personnel	679.26	326.79
Perquisites	14.33	25.08
Gratuity [Proportionate amount of total gratuity cost]	10.14	11.73
Contribution to Provident and Other funds	21.60	31.13
	995.60	783.15
(b) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and commission payable :		
Net profit for the year	29,086.36	20,736.77
Add: Provision for taxation as per the Profit and Loss account	6,736.48	10,635.55
Depreciation as per Profit and Loss Account	5,812.62	5,442.32
Directors' remuneration (including commission)	995.60	783.15
Provision for doubtful debts	66.45	175.82
Provision for impairment of Loan to Zao Torrent Pharma	-	1,400.40
Provision for diminution in value of investment in Zao Torrent Pharma	-	2,308.49
Provision for doubtful claim receivables	-	143.97
Provision on Assets held for Sale	3.44	(1.96)
Loss on Sale / Discard / Write-off of Fixed Assets	98.20	87.27
	42,799.15	41,711.78
Less: Profit on sale of Investment (Net)	786.74	889.25
Capital gains on sale of Asset	3.22	1.93
Depreciation under Section 350 of the Companies Act, 1956	5,127.87	4,841.26
Net Profit (b)	36,881.32	35,979.34
Commission entitlement of Managerial Personnel as per terms of appointment	3,371.79	3,141.57
Commission to Managerial Personnel	400.00	300.00
% to Net Profit as per (b) above	1.08%	0.83%
Commission entitlement of Non-Executive Directors	368.81	179.90
Commission to Non-Executive Directors	279.26	26.79
% to Net Profit as per (b) above	0.76%	0.07%

15. Net foreign currency positions outstanding as at 31-Mar-2011 under derivatives contracts for hedging are summarised below:

(Amount in lacs)

Hedged Item / Nature of Derivatives Contract	Net Position under Derivatives Contracts				Unhedged foreign currency exposures	
	Long Position		Short Position		Currency	Amount
	Currency	Amount	Currency	Amount		
Foreign Currency Loans - Payable						
Forward Exchange Contracts	JPY	5,812.50	-	-	JPY	10,108.00
	USD	223.00				
Currency cum Interest Rate Swap	JPY	34,838.00	-	-	-	-
	USD	182.60				
Foreign Currency Interest - Payable						
Forward Exchange Contracts [Refer Note (b)]	JPY	91.00	USD	0.98	USD	-
Foreign Currency Trade Payables	-	-	-	-	USD	29.50
					GBP	0.46
					JPY	3.06
					RUB	2.48
					AUD	0.08
					THB	28.51
					SEK	0.02
Foreign Currency Receivables						
Forward Exchange Contracts [Refer Note (c)]	-	-	USD	592.75	-	-
			EUR	330.03		

Notes :

- (a) USD = United States Dollar SEK = Swedish krona
 EUR = Euro GBP = Great Britain Pound
 JPY = Japanese Yen THB = Thai Baht
 AUD = Australian Dollar RUB = Russian Rubble
- (b) Foreign currency loan - payable, outstanding as on 31-Mar-2011 JPY 15,920.50 lacs bears a floating rate of interest linked to JPY Libor and interest is payable in JPY thereon. The floating interest rate basis and interest are partially unhedged for the outstanding term of the loan.
- (c) As at the year end, the Company has outstanding forward exchange contracts to hedge the foreign currency risk of highly probable forecast transactions. These derivatives are considered as off balance sheet items and the mark to market gain of ₹ 123.11 lacs on such derivatives is not accounted in view of the principle of prudence as per Announcement on "Accounting of Derivatives" by Institute of Chartered Accountants of India dated 29-Mar-2008.

16. Quantitative Information

(a) Licensed Capacity

(b) Installed Capacity

I : Formulation

1. Tablets

2. Capsules

3. Injection/Vials

4. Suspension / Liquid [Ltr.]

II : Bulk Drugs

	2010-11		2009-10	
(a) Licensed Capacity	Not Applicable		Not Applicable	
(b) Installed Capacity				
I : Formulation				
1. Tablets	10,000	Million	9,400	Million
2. Capsules	1,000	Million	480	Million
3. Injection/Vials	26	Million	26	Million
4. Suspension / Liquid [Ltr.]	1	Million	1	Million
II : Bulk Drugs	30,000	Kg.	18,000	Kg.

(c) Production and Stocks

Item	Unit	Production*	Opening Stock		Closing Stock	
			Quantity	₹ in lacs	Quantity	₹ in lacs
1. Formulation						
Tablets	' 000 Nos.	6,379,946 (4,517,149)	606,314 (636,998)	3,805.47 (4,219.15)	986,195 (606,314)	6,700.73 (3,805.47)
Capsules	' 000 Nos.	321,900 (271,231)	39,224 (50,598)	469.95 (654.28)	56,776 (39,224)	715.33 (469.95)
Suspension / Liquid	Ltr.	480,000 (415,239)	44,918 (81,905)	129.02 (179.48)	97,416 (44,918)	285.27 (129.02)
Injections	Ltr.	50,198 (55,712)	9,766 (10,798)	88.96 (111.72)	16,983 (9,766)	144.86 (88.96)
Vials / Cartridges	Nos.	23,680,374 (22,178,368)	702,409 (677,905)	411.12 (356.96)	841,079 (702,409)	420.93 (411.12)
Ointment	Kg.	4,041 (7,261)	1,546 (1,523)	11.61 (10.62)	1,779 (1,546)	14.26 (11.61)
Others				22.06 (12.63)		20.44 (22.06)
2. Bulk Drugs	Kg.	26,170 (21,543)	1,583 (233)	448.78 (71.23)	729 (1,583)	364.41 (448.78)
Total				5,386.97 (5,616.07)		8,666.24 (5,386.97)

* Notes:

I Includes production in factories of third parties on loan license.

II Bulk Drug includes production for captive consumption.

(d) Purchase and Stocks of Traded Goods

Item	Unit	Purchase	Opening Stock		Closing Stock	
			Quantity	₹ in lacs	Quantity	₹ in lacs
1. Formulation						
Tablets	' 000 Nos.	188,439 (155,126)	49,742 (32,737)	1,234.15 (813.82)	54,311 (49,742)	1,415.96 (1,234.15)
Capsules	' 000 Nos.	65,604 (32,167)	7,133 (5,494)	241.98 (184.84)	10,082 (7,133)	253.36 (241.98)
Suspension / Liquid	Ltr.	111,843 (30,552)	11,056 (3,378)	45.91 (33.29)	43,087 (11,056)	156.18 (45.91)
Injections	Ltr.	36,224 (11,457)	5,133 (5,279)	136.66 (123.26)	26,253 (5,133)	191.82 (136.66)
Vials / Cartridges	Nos.	1,717,438 (1,088,506)	440,345 (120,982)	138.85 (86.85)	732,912 (440,345)	240.29 (138.85)
Ointment	Kg.	35,720 (28,521)	8,690 (7,012)	66.98 (62.82)	9,979 (8,690)	92.25 (66.98)
Others				8.38 (14.89)		18.52 (8.38)
2. Bulk Drugs	Kg.	29,225 (27,016)	- -	- -	5,000 -	34.25 -
Total				1,872.91 (1,319.77)		2,402.62 (1,872.91)

(e) Sales by class of goods

	Unit	Quantity	₹ in lacs
1. Formulation			
Tablets	' 000 Nos.	6,183,935 (4,685,954)	121,203.45 (99,026.73)
Capsules	' 000 Nos.	367,003 (313,134)	14,972.79 (13,314.49)
Suspension / Liquid	Ltr.	507,314 (475,100)	3,121.58 (2,388.54)
Injections	Ltr.	58,084 (68,347)	1,054.37 (1,028.86)
Vials / Cartridges	Nos.	24,966,575 (22,923,007)	23,631.02 (21,021.45)
Ointment	Kg.	38,239 (34,081)	876.20 (707.35)
Others			548.61 (366.47)
2. Bulk Drugs	Kg.	51,249 (47,209)	2,627.24 (756.49)
Total			168,035.26 (138,610.38)

17. Break-up of Imported & Indigenous Consumption

	2010-11		2009-10	
	₹ in lacs	% to Total Consumption	₹ in lacs	% to Total Consumption
(a) Raw Materials				
Imported	17,553.00	35.56	16,152.01	46.14
Indigenous	31,815.31	64.44	18,854.67	53.86
	49,368.31	100.00	35,006.68	100.00
(b) Components and spares parts				
Imported	169.98	7.17	66.47	4.46
Indigenous	2,199.80	92.83	1,423.17	95.54
	2,369.78	100.00	1,489.64	100.00

18. Consumption of Raw Materials

	2010-11		2009-10	
	Quantity	₹ in lacs	Quantity	₹ in lacs
Dry Insulin MU	8841	15,472.24	8361	14,626.08
Others		33,896.07		20,380.60
		49,368.31		35,006.68

	(₹ in lacs)	
	2010-11	2009-10
19. Value of Imports on CIF basis in respect of		
(a) Raw Materials and Packing Material	19,239.47	16,748.86
(b) Components and Spares Parts	636.37	588.89
(c) Capital Goods	2,976.16	2,252.73
20. Expenditure in Foreign Currency		
(a) Books and Periodicals	29.07	37.00
(b) Traveling	410.01	554.71
(c) Professional Fees	194.92	241.09
(d) Interest Expenses	405.91	291.15
(e) Others	8,277.37	6,133.56
21. Remittance in foreign currency on account of dividend :		
(a) Dividend remittance for the year ended 31-Mar-2010	9.86	-
(b) Dividend remittance for the year ended 31-Mar-2009	-	163.42
(c) Dividend remittance for the year ended 31-Mar-2008	-	142.99
(d) Number of share-holders	1	1
(e) Number of shares held	164,383	4,085,376
22. Earnings in Foreign Exchange		
(a) F.O.B. value of exports	57,817.67	44,200.27
(b) Interest	3.60	4.99
(c) Other income [Product registration dossiers and others]	2,984.83	2,219.29
23. Accounting Standard 17 requires segment information to be presented on the basis of consolidated financial statements. Accordingly segment information is disclosed in consolidated financial statements.		
24. Previous year figures have been regrouped wherever necessary so as to make them comparable with those of the current year.		

25. The disclosures pertaining to related parties and transactions therewith are set out in the table below :

(₹ in lacs)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Key Management Personnel		Enterprises Controlled by Key Management Personnel / Relatives of Key Management Personnel		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(A) Nature of Transactions												
Sale of Finished Goods	35,847.13	24,532.50	-	-	33.38	33.72	-	-	-	-	35,880.51	24,566.22
Torrent Do Brasil Ltda.	12,401.00	9,385.21	-	-	-	-	-	-	-	-	12,401.00	9,385.21
Torrent Pharma Inc.	11,461.07	7,701.59	-	-	-	-	-	-	-	-	11,461.07	7,701.59
Heumann Pharma Gmbh & Co	4,598.66	3,699.87	-	-	-	-	-	-	-	-	4,598.66	3,699.87
Zao Torrent Pharma	4,023.36	2,106.13	-	-	-	-	-	-	-	-	4,023.36	2,106.13
Others	3,363.04	1,639.70	-	-	33.38	33.72	-	-	-	-	3,396.42	1,673.42
Sale of Dossiers	310.38	501.07	-	-	-	-	-	-	-	-	310.38	501.07
Torrent Pharma GmbH	310.38	370.82	-	-	-	-	-	-	-	-	310.38	370.82
Torrent Pharma Philippines Inc.	-	130.25	-	-	-	-	-	-	-	-	-	130.25
Purchase of Material, Consumables etc	55.43	151.15	-	-	5.00	-	-	-	-	1.31	60.43	118.26
Torrent Pharma Inc.	34.73	88.95	-	-	-	-	-	-	-	-	34.73	88.95
Torrent Pharma GmbH	20.70	28.00	-	-	-	-	-	-	-	-	20.70	28.00
Others	-	-	-	-	5.00	-	-	-	-	1.31	5.00	1.31
Remuneration to Key Management Personnel	-	-	-	-	-	-	966.34	756.35	-	-	966.34	756.35
Samir Mehta, Executive Vice Chairman	-	-	-	-	-	-	512.70	579.20	-	-	512.70	579.20
Sudhir Mehta, Chairman	-	-	-	-	-	-	250.00	-	-	-	250.00	-
Dr. C. Dutt, Whole Time Director	-	-	-	-	-	-	203.64	177.15	-	-	203.64	177.15
Contribution to Gratuity / Superannuation Funds	-	-	934.90	892.38	-	-	-	-	-	-	934.90	892.38
TPL Emp.Group Gratuity Trust	-	-	600.00	602.00	-	-	-	-	-	-	600.00	602.00
TPL Emp.Superannuation Trust	-	-	334.90	290.38	-	-	-	-	-	-	334.90	290.38
Lease Rent Paid	-	-	-	-	2.00	2.00	-	-	-	-	2.00	2.00
Torrent Private Limited	-	-	-	-	2.00	2.00	-	-	-	-	2.00	2.00
Services received	2,528.89	215.05	-	-	512.89	526.86	-	-	809.82	758.56	3,851.60	1,500.47
Laboratorios Torrent S.A. de C.V	2,009.65	-	-	-	-	-	-	-	-	-	2,009.65	-
Tsunami Tours & Travels Limited.	-	-	-	-	-	-	-	-	809.82	758.56	809.82	758.56
Torrent Power Limited.	-	-	-	-	502.15	526.86	-	-	-	-	502.15	526.86
Torrent Pharma Inc.	202.89	200.15	-	-	-	-	-	-	-	-	202.89	200.15
Others	316.35	14.90	-	-	10.74	-	-	-	-	-	529.98	14.90
Commission & Interest paid to carrying & forwarding agents	-	-	-	-	-	-	-	-	102.88	92.31	102.88	92.31
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	102.88	92.31	102.88	92.31
Donation	-	-	-	-	-	-	-	-	690.00	400.00	690.00	400.00
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	415.00	200.00	415.00	200.00
U. N. Mehta Institute of Cardiology & Research Centre	-	-	-	-	-	-	-	-	275.00	200.00	275.00	200.00
Interest Income	3.46	4.81	7.61	-	-	0.68	-	-	-	-	11.07	5.49
Torrent Pharma Philippines Inc	3.46	4.81	-	-	-	-	-	-	-	-	3.46	4.81
Torrent Pharmaceuticals (Sikkim)	-	-	7.10	-	-	0.68	-	-	-	-	7.10	0.68
Others	-	-	0.51	-	-	-	-	-	-	-	0.51	-

(₹ in lacs)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Key Management Personnel		Enterprises Controlled by Key Management Personnel / Relatives of Key Management Personnel		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(A) Nature of Transactions												
Interest Expense	14.34	-	-	-	-	-	-	-	-	-	14.34	-
Heumann Pharma Gmbh & Co	14.34	-	-	-	-	-	-	-	-	-	14.34	-
Expenses Reimbursement	124.75	467.74	-	-	-	-	-	-	17.39	12.93	142.14	480.67
Torrent Australasia Pty Limited	48.35	8.63	-	-	-	-	-	-	-	-	48.35	8.63
Torrent Pharma GmbH	36.73	464.27	-	-	-	-	-	-	-	-	36.73	464.27
Zao Torrent Pharma	35.63	-	-	-	-	-	-	-	-	-	35.63	-
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	17.39	12.93	17.39	12.93
Heumann Pharma Gmbh & Co	4.04	2.52	-	-	-	-	-	-	-	-	4.04	2.52
Others	-	(7.68)	-	-	-	-	-	-	-	-	-	(7.68)
Purchase of Fixed Assets	-	-	-	-	61.18	85.91	-	-	-	-	61.18	85.91
Torrent Cables Ltd.	-	-	-	-	61.18	85.91	-	-	-	-	61.18	85.91
Sale of Fixed Assets	-	-	-	-	7.64	-	-	-	-	-	7.64	-
Torrent Power Limited	-	-	-	-	7.64	-	-	-	-	-	7.64	-
Equity Contribution	1,420.24	791.28	-	-	-	-	-	-	-	-	1,420.24	791.28
Laboratorios Torrent SA de CV	989.35	763.96	-	-	-	-	-	-	-	-	989.35	763.96
Torrent Pharma SRL	161.28	-	-	-	-	-	-	-	-	-	161.28	-
Others	269.61	27.32	-	-	-	-	-	-	-	-	269.61	27.32
Investment in Partnership Firm	-	-	18,041.53	-	-	-	-	-	-	-	18,041.53	-
Torrent Pharmaceuticals (Sikkim)	-	-	12,113.06	-	-	-	-	-	-	-	12,113.06	-
Torrent Pharmaceuticals (Dahej)	-	-	5,928.47	-	-	-	-	-	-	-	5,928.47	-
Repayment of Loan	365.21	1,949.46	-	-	-	-	-	-	-	-	365.21	1,949.46
Zao Torrent Pharma	365.21	1,949.46	-	-	-	-	-	-	-	-	365.21	1,949.46
Provision for Loan write off	-	1,400.40	-	-	-	-	-	-	-	-	-	1,400.40
Zao Torrent Pharma	-	1,400.40	-	-	-	-	-	-	-	-	-	1,400.40
Provision Diminution In Value Investment	-	2,308.49	-	-	-	-	-	-	-	-	-	2,308.49
Zao Torrent Pharma	-	2,308.49	-	-	-	-	-	-	-	-	-	2,308.49
Deposits given	-	-	-	-	6.25	45.61	-	-	-	-	6.25	45.61
Torrent Energy Limited.	-	-	-	-	6.25	-	-	-	-	-	6.25	-
Torrent Power Limited.	-	-	-	-	-	45.61	-	-	-	-	-	45.61
Recovery of Expenses	79.92	-	-	-	-	-	-	-	-	-	79.92	-
Heumann Pharma Gmbh & Co	63.31	-	-	-	-	-	-	-	-	-	63.31	-
Torrent Do Brasil Ltda.	16.61	-	-	-	-	-	-	-	-	-	16.61	-
Disposal of Investment	34.06	-	-	-	-	-	-	-	-	-	34.06	-
Torrent Pharma Japan Co. Ltd	34.06	-	-	-	-	-	-	-	-	-	34.06	-
(B) Balances at the end of the year	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Sundry Debtors	20,461.65	14,848.96	-	-	2.39	-	-	-	-	-	20,464.04	14,848.96
Torrent Pharma Inc.	5,829.79	3,182.14	-	-	-	-	-	-	-	-	5,829.79	3,182.14
Zao Torrent Pharma	5,719.70	4,427.10	-	-	-	-	-	-	-	-	5,719.70	4,427.10
Torrent Do Brasil Ltda.	5,113.50	5,189.53	-	-	-	-	-	-	-	-	5,113.50	5,189.53
Others	3,798.65	2,050.19	-	-	2.39	-	-	-	-	-	3,801.05	2,050.19

(₹ in lacs)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/Enterprises Controlled by the Holding Company		Key Management Personnel		Enterprises Controlled by Key Management Personnel / Relatives of Key Management Personnel		TOTAL	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
(B) Balances at the end of the year												
Loan to Subsidiary	763.47	1,132.97	-	-	-	-	-	-	-	-	763.47	1,132.97
Zao Torrent Pharma	540.22	907.27	-	-	-	-	-	-	-	-	540.22	907.27
Torrent Pharma Philippines Inc.	223.25	225.70	-	-	-	-	-	-	-	-	223.25	225.70
Interest Receivable On Loan To Subsidiary	40.82	37.84	6.85	-	-	-	-	-	-	-	47.67	37.84
Torrent Pharma Philippines Inc	40.82	37.84	-	-	-	-	-	-	-	-	40.82	37.84
Torrent Pharmaceuticals (Sikkim)	-	-	6.39	-	-	-	-	-	-	-	6.39	-
Torrent Pharmaceuticals (Dahej)	-	-	0.46	-	-	-	-	-	-	-	0.46	-
Advances Recoverable in Cash or Kind	34.67	-	19.59	19.60	-	1.25	-	-	157.53	15.58	211.79	36.43
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	157.53	15.58	157.53	15.58
Torrent Pharma (UK) Ltd.	34.67	-	-	-	-	-	-	-	-	-	34.67	-
TPL Employees group gratuity Trust	-	-	19.58	19.59	-	-	-	-	-	-	19.58	19.59
Others	-	-	0.01	0.01	-	1.25	-	-	-	-	0.01	1.26
Advances Received from Customer	385.80	-	-	-	5.50	-	-	-	2.60	-	393.90	-
Heumann Pharma Gmbh & Co	385.80	-	-	-	-	-	-	-	-	-	385.80	-
Others	-	-	-	-	5.50	-	-	-	2.60	-	8.10	-
Investments in Equities	10,411.97	11,338.53	-	-	-	-	-	-	-	-	10,411.97	11,338.53
Torrent Pharma GmbH	3,645.29	3,645.29	-	-	-	-	-	-	-	-	3,645.29	3,645.29
Torrent Do Brasil Ltda.	3,111.04	3,111.04	-	-	-	-	-	-	-	-	3,111.04	3,111.04
Laboratorios Torrent SA de CV	2,577.08	1,587.73	-	-	-	-	-	-	-	-	2,577.08	1,587.73
Zao Torrent Pharma	-	2,308.49	-	-	-	-	-	-	-	-	-	2,308.49
Others	1,078.56	685.98	-	-	-	-	-	-	-	-	1,078.56	685.98
Investments In Partnership Firm	-	-	18,041.52	-	-	-	-	-	-	-	18,041.52	-
Torrent Pharmaceuticals (Sikkim)	-	-	12,113.06	-	-	-	-	-	-	-	12,113.06	-
Torrent Pharmaceuticals (Dahej)	-	-	5,928.47	-	-	-	-	-	-	-	5,928.47	-
Provision Diminution In Value Investment	-	2,308.49	-	-	-	-	-	-	-	-	-	2,308.49
Zao Torrent Pharma	-	2,308.49	-	-	-	-	-	-	-	-	-	2,308.49
Sundry Creditors	1,792.21	357.11	-	-	6.38	-	819.62	300.00	21.91	37.16	2,640.10	694.66
Laboratorios Torrent SA de CV	1,131.98	-	-	-	-	-	-	-	-	-	1,131.98	-
Samir Mehta, Executive Vice Chairman	-	-	-	-	-	-	569.62	300.00	-	-	569.62	300.00
Torrent Pharma Inc.	206.34	157.30	-	-	-	-	-	-	-	-	206.34	157.30
Torrent Pharma GmbH	179.68	160.60	-	-	-	-	-	-	-	-	179.68	160.60
Others	274.21	39.21	-	-	6.38	-	250.00	-	21.91	37.16	552.48	76.76
Guarantees given	3,738.80	3,628.00	-	-	-	-	-	-	-	-	3,738.80	3,628.00
Torrent Pharma GmbH (4.5 Million Euro) P.Y.(4.5 Million Euro)	2,845.80	2,725.20	-	-	-	-	-	-	-	-	2,845.80	2,725.20
Zao Torrent Pharma (2 Million USD) P.Y (2 Million USD)	893.00	902.80	-	-	-	-	-	-	-	-	893.00	902.80

Names of related parties and description of relationship :

1.	Subsidiaries and Step Down Subsidiaries	Heumann Pharma Gmbh & Co., Generica KG ,Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laborotrios Torrent SA de CV, Torrent Pharma Japan Co. Ltd., Heunet Pharma Gmbh, Norispharma Gmbh,Torrent Pharma Canada Inc., Torrent Pharma Thailand Co. Ltd., Torrent Pharma UK Ltd.,Torrent Pharma SrL., Laboratories Torrent (Malaysia) Sdn. Bhd.		
2.	Enterprises controlled by the Company	TPL Employee Group Gratuity Trust, TPL Employee Superannuation Trust, Torrent Pharamceuticals (Sikkim), Torrent Pharmaceutials (Dahej)		
3.	Holding Company / Enterprises Controlled by the Holding Company	Torrent Private Ltd., Torrent Financiers, Torrent Power Ltd., Torrent Cables Ltd., Torrent Power Services Pvt. Ltd., Torrent Pipavav Generation Ltd., Torrent Energy Ltd., Torrent Power Grid Ltd., Torrent Power Bhiwandi Ltd., AEC Cements and Constructions Ltd.		
4.	Key Management Personnel	Sudhir Mehta Chairman	Samir Mehta Executive Vice Chairman	Dr. C. Dutt Whole Time Director
5.	Relatives of Key Management Personnel	Anita Mehta, wife Shardaben Mehta, mother Varun Mehta, son Jinal Mehta, son Samir Mehta, brother Meena Modi, sister Nayna Shah, sister	Sapna Mehta, wife Shardaben Mehta, mother Aman Mehta, son Shaan Mehta, son Sudhir Mehta, brother Meena Modi, sister Nayna Shah, sister	Shobha Dutt, wife Umang Dutt, son Uttang Dutt, son
6.	Enterprises Controlled by Key Management Personnel / Relatives of Key Management Personnel	U N Mehta Charitable Trust, D N Modi Charitable Trust, Shardaben Mehta Charitable Trust, Tsunami Tours & Travels Pvt. Ltd., Torrel Cosmetics Pvt. Ltd., Zeal Pharmachem India Pvt. Ltd., Diamond Infrastructure Pvt. Ltd., U. N. Mehta Institute of Cardiology & Research Centre, Dushyant Shah Charitable Trust.		

As per our attached report of even date

Signatures to Schedule 1 to 21

For DELOITTE HASKINS & SELLS

Chartered Accountants

Sudhir Mehta

Chairman

Gaurav J. Shah

Partner

Mahesh Agrawal

VP (Legal) & Company Secretary

Samir Mehta

Executive Vice Chairman

Ahmedabad

28th May, 2011

Ahmedabad

28th May, 2011