



TORRENT PHARMACEUTICALS LTD.

Regd. Office : Torrent House, Off Ashram Road, Ahmedabad-380 009

AUDITED FINANCIAL RESULTS FOR THE YEAR 2004 - 05

(Rs. in lacs except per share data)

PARTICULARS	STAND - ALONE RESULTS					CONSOLIDATED RESULTS	
	NINE MONTHS ENDED ON	THREE MONTHS ENDED ON		ACCOUNTING YEAR ENDED ON		ACCOUNTING YEAR ENDED ON	
	31-12-2004	31-03-2005	31-03-2004	31-03-2005	30-03-2004	31-03-2005	31-03-2004
Sales (net of Sales Tax)	40686	10790	10924	51476	47730	56591	49537
Less : Excise Duty collected	3583	692	1035	4275	4742	4958	5037
Net Sales[see note 2(a)]	37103	10098	9889	47201	42988	51633	44500
Other Operating Income[see note 5(b)]	2210	348	264	2558	1319	3031	1433
Net Sales & Income from Operations	39313	10446	10153	49759	44307	54664	45933
Expenditure :							
(Increase)/Decrease in Stock in Trade	(349)	(2279)	(289)	(2628)	(1043)	(2704)	(1140)
Consumption of Raw/Packing Material and Purchase of Traded Goods[see note 3]	14619	5618	4055	20237	17706	20472	17873
Staff Cost	4596	1486	1149	6082	4074	8722	5483
Manufacturing & Other Expenses	4648	2373	1529	7021	5472	8372	6366
Selling Expenses	4700	1532	1266	6232	4873	7340	5214
Research & Development Expenses	3614	1438	925	5052	2948	5052	2948
Total Expenditure	31828	10168	8635	41996	34030	47254	36744
Operating Profit before Interest, Depreciation & Amortization and Tax	7485	278	1518	7763	10277	7410	9189
Net Interest expense/(income)	117	157	12	274	(24)	271	(33)
Depreciation & Amortization	1322	496	328	1818	1569	1871	1602
Operating Profit before Tax	6046	(375)	1178	5671	8732	5268	7620
Other Income	258	158	146	416	365	419	364
Profit before Tax and Exceptional Item	6304	(217)	1324	6087	9097	5687	7984
Provision for Taxation							
Current Tax	718	(252)	279	466	2117	511	2118
Deferred Tax	624	(296)	51	328	363	299	215
Short Provision of Tax of Earlier Years	-	1	14	1	40	1	40
Profit after Tax and before Exceptional Item	4962	330	980	5292	6577	4876	5611
Prior Period Adjustment	-	-	-	-	(4)	-	(8)
Exceptional Item	-	-	-	-	(156)	-	(156)
Net Profit for the Period	4962	330	980	5292	6417	4876	5447
Paid-up Equity Share Capital (Face Value Rs.10)	2116	2116	2116	2116	2116	2116	2116
Reserves excluding revaluation reserves	-	-	-	31966	28603	29439	26492
Basic & Diluted EPS for the period	23.45	1.56	4.63	25.02	30.33	23.05	25.74
Basic & Diluted EPS for the period on Profit after Tax and before Exceptional Item	23.45	1.56	4.63	25.02	31.09	23.05	26.52
Non-Promoter shareholding							
Number of shares				5487158	5486958		
Percentage of shareholding				25.93 %	25.93%		

NOTES:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 13-May-05. There is no qualification in the Auditors Report on this statement of financial results.
- Inter unit transfers of manufactured bulk drugs Rs. 518 lacs for the comparative quarter and Rs. 1751 lacs for the previous year have been excluded from the sales and material costs of those periods to render them comparable with the figures for the current periods.
 - The figures for the comparative periods have been regrouped to render them comparable with the figures for the current period.
- With effect from 1-Jul-04, the cost of inventories of raw material, packing material and finished goods (traded) are determined on the moving average price basis. Hitherto, these were determined on FIFO basis. However, there is no material impact on the financial results for the current quarter, current nine months and current year, consequent to the change in cost formula for the valuation of inventories of raw material, packing material and finished goods (traded). Except for this change, the statement of financial results has been prepared by applying the same accounting policies as were applied in the most recent annual financial statements for the previous year.
- The Company operates in a solitary business segment viz. pharmaceuticals, comprising mainly manufacture of branded formulations. A further breakdown of pharmaceutical sales is given below.

Particulars	Nine Months Ended	Quarter Ended			Year Ended		
		31-Dec-04	31-Mar-05	31-Mar-04	Growth(%)	31-Mar-05	31-Mar-04
Domestic Formulations	28081	5229	7207	(27%)	33310	33217	-
Exports	5387	3195	1719	86%	8582	5171	66%
Consolidated Exports*	9109	4588	2351	95%	13697	6978	96%
Contract Manufacture	7131	2331	1969	18%	9462	9183	3%
Others*	87	35	29	-	122	159	-
Total Sales	40686	10790	10924	(1%)	51476	47730	8%
Consolidated Sales*	44408	12183	11555	5%	56591	49537	14%
Total Net Sales	37103	10098	9889	2%	47201	42988	10%
Consolidated Net Sales*	40329	11304	10411	9%	51633	44500	16%

* Indicates sales of the Company and its subsidiaries consolidated as per Accounting Standard 21 Consolidated Financial Statements. These figures are not audited for the current & comparative quarter and current nine months

- Domestic formulations sales for the current quarter ended Mar 05 were affected due to postponement of purchases by the trade channel on account of uncertainties arising out of implementation of Value Added Tax in lieu of sales tax by the State Governments. However this does not affect the fundamentals of the business & most of the sales is expected to be recovered in First quarter of 2005-06.
 - Other Operating Income for the current nine months and current year includes Rs. 1389 lacs (USD 3 million) License income pursuant to the Licence Agreement entered with Novartis Pharma AG, a leading international pharma company based at Switzerland, granting it global rights of patented AGE (Advanced Glycosylation Endproducts) Breaker compound. The agreement also envisages a long term arrangement involving subsequent milestone payments as the molecule passes through various phases of clinical development, regulatory approvals and ultimate commercialization. The Company would also be entitled to royalties linked with global sales.
- Torrent Pharma Philippines Inc, a wholly owned subsidiary (WOS) was incorporated on 22-Jul-04 with the initial investments of Rs. 92 lacs.
 - The company has sold all its equity shares in TPL Finance Ltd, a subsidiary, on 1-Sep-04 for Rs. 26 lacs. These shares were acquired at a cost of Rs. 20 Lacs. The disposal has resulted into a profit on sale of investments of Rs. 6 lacs which is included in Other Income.
 - The Company made further investments during the current quarter amounting to Rs 438 lacs in equity shares of Zao Torrent Pharma, (total investments made during the current year Rs. 438 lacs), its wholly owned subsidiary in Russia.
- The Company borrowed secured long term loan of Rs. 6875 lacs during current quarter & Rs.18125 lacs during the current year from the banks & financial institutions mainly for its upcoming formulation manufacturing facility at Himachal Pradesh, expansion of the existing Bulk Drug manufacturing facility at Gujarat & expansion of its existing research facility at Gujarat.
- The Board of Directors in their meeting of even date have proposed an equity dividend of Rs.8.00 (previous year Rs.8.00) per equity share of Rs.10 each fully paid up. The aggregate amount of equity dividend proposed to be distributed is Rs. 1930 lacs (previous year Rs. 1909 lacs) including tax on distributed profits of Rs 237 lacs (previous year Rs. 217 lacs).
- Information relating to investor complaints for the quarter ended 31-Mar-05 is as follows :

Un-disposed complaints as of 1-Jan-05	Nil
Complaints received during the quarter	04
Complaints disposed of during the quarter	04
Un-disposed complaints as of 31-Mar-05	Nil

Notes to Consolidated Results:

- The consolidated financial results include the audited financial results for the following subsidiary companies:
 - Zao Torrent Pharma, Russia
 - Torrent do Brasil Ltda., Brazil
 - Torrent Pharma GmbH, Germany
 - Torrent Pharma Inc., USA
 - Torrent Pharma Philippines Inc., Philippines (incorporated on 22-Jul-04 and accordingly accounts of that subsidiary prepared for the period of 22-July- 04 to 31-Mar-05 have been consolidated)
 - TPL Finance Ltd., India (sold equity investments on 1-Sep-04 and accordingly accounts of that subsidiary prepared for the period of 1-Apr-04 to 1-Sep-04 have been consolidated)
- Consolidated financial results have been prepared by applying the same accounting policies as were applied in the consolidated financial statements for the previous year.

For **TORRENT PHARMACEUTICALS LIMITED**

Place : Ahmedabad
Date : 13-May-05

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SAMIR MEHTA
Managing Director