



**TORRENT PHARMACEUTICALS LTD.**

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

**FINANCIAL RESULTS FOR THE YEAR 2005-06**

(Rs. in lacs except per share data)

PARTICULARS	STANDALONE AUDITED RESULTS					CONSOLIDATED RESULTS			
	NINE MONTHS ENDED ON	THREE MONTHS ENDED ON	ACCOUNTING YEAR ENDED ON		NINE MONTHS ENDED ON	THREE MONTHS ENDED ON	ACCOUNTING YEAR ENDED ON		
	31-12-2005	31-03-2006	31-03-2005	31-03-2006	31-03-2005	31-12-2005	31-03-2006	31-03-2006	31-03-2005
					UNAUDITED	UNAUDITED	AUDITED	AUDITED	
Sales (net of Sales Tax / VAT)	57242	15796	10790	73038	51476	75295	24806	100101	56591
Less : Excise Duty collected	4440	796	692	5236	4275	5309	1118	6427	4958
Net Sales	52802	15000	10098	67802	47201	69986	23688	93674	51633
Other Operating Income	1047	348	348	1395	2558	2058	984	3042	3142
Net Sales & Income from Operations	53849	15348	10446	69197	49759	72044	24672	96716	54775
Expenditure :									
Decrease/(Increase)in Stock in Trade	(1023)	593	(2279)	(430)	(2628)	(7242)	937	(6305)	(2704)
Consumption of Raw/Packing Material	18975	4681	5042	23656	18236	18993	4663	23656	18236
Purchase of Traded Goods	2245	966	576	3211	2001	13579	3289	16868	2236
Staff Cost	5599	2127	1486	7726	6082	12901	5076	17977	8722
Manufacturing & Other Expenses	7683	2855	2373	10538	7021	11434	4910	16344	8483
Selling Expenses	5223	1751	1532	6974	6232	8701	3027	11728	7340
Research & Development Expenses	4307	1335	1438	5642	5052	4307	1335	5642	5052
Total Expenditure	43009	14308	10168	57317	41996	62673	23237	85910	47365
Operating Profit before Interest, Depreciation & Amortization and Tax	10840	1040	278	11880	7763	9371	1435	10806	7410
Net Interest expense	357	189	157	546	274	400	214	614	271
Depreciation & Amortization	1636	730	496	2366	1818	1728	824	2552	1871
Operating Profit / (Loss) before Tax	8847	121	(375)	8968	5671	7243	397	7640	5268
Other Income	127	3	158	130	416	129	1	130	419
Profit/(Loss) before Tax and Exceptional Item	8974	124	(217)	9098	6087	7372	398	7770	5687
Provision for Taxation									
Current Tax	845	(161)	(252)	684	466	804	(2)	802	511
MAT Credit Entitlement	-	(300)	-	(300)	-	-	(300)	(300)	-
Deferred Tax	1183	(116)	(296)	1067	328	1161	6	1167	299
Fringe Benefit Tax	194	64	-	258	-	194	64	258	-
Short Provision of Tax of Earlier Years	-	-	1	-	1	-	(49)	(49)	1
Profit after Tax and before Exceptional Item	2222	(513)	(547)	1709	795	2159	(281)	1878	811
Exceptional Item	6752	637	330	7389	5292	5213	679	5892	4876
Net Profit / (Loss) for the Period	-	(806)	-	(806)	-	-	(806)	(806)	-
Net Profit / (Loss) for the Period	6752	(169)	330	6583	5292	5213	(127)	5086	4876
Paid-up Equity Share Capital (Face Value Rs.5)	2116	4231	2116	4231	2116	2116	4231	4231	2116
Reserves excluding revaluation reserves	-	-	-	34021	31966	-	-	30553	29439
Basic & Diluted EPS for the period	7.98	(0.20)	0.39	7.78	6.25	6.16	(0.15)	6.01	5.76
Basic & Diluted EPS for the period on Profit after Tax adjusted for exceptional item	7.98	0.43	0.39	8.41	6.25	6.16	0.48	6.64	5.76
Non-Promoter shareholding									
Number of shares	21920632			21919832	21948632				
Percentage of shareholding	25.91%			25.91%	25.93%				

(A) Notes to Consolidated Audited Results :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 23-May-06. There is no qualification in the Auditors Report on this statement of financial results.
- The figures for the comparative periods, have not been provided as the Company has adopted presentation of consolidated financial results from the current year.
- a) The Company has consolidated the financial results of the following wholly owned subsidiaries:  
Heumann Pharma GmbH & Co Generika KG (w.e.f. 04-Jul-05), Torrent Do Brasil Ltda, Zao Torrent Pharma, Torrent Pharma GmbH, Torrent Pharma Philippines Ltd, and Torrent Pharma Inc.  
b) Consolidated Financial Results does not include Financial results of following subsidiary as there were no transaction during the reporting period :  
Torrent Australasia Pty Ltd, Torrent Pharma Japan Co. Ltd., Laboratorios Torrent S.A. de C.V.
- The consolidation of subsidiaries has been done in accordance with Accounting Standard - 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountant of India.
- 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-05	31-Mar-06	31-Mar-05	Growth%	31-Mar-06	31-Mar-05
Sales in India							
Branded Business	35490	8956	5229	71%	44446	33310	33%
Contract Manufacture	9244	3191	2331	37%	12435	9462	31%
Others	100	34	35	-	134	122	-
Total Sales in India (A)	44834	12181	7595	60%	57015	42894	33%
Sales Outside India (B)	30461	12625	4588	175%	43086	13697	215%
Total Sales (A+B)	75295	24806	12183	104%	100101	56591	77%
Less : Excise and similar duties	5309	1118	879	-	6427	4958	-
Net Sales	69986	23688	11304	110%	93674	51633	81%

Sales outside India includes Rs.5705 lacs in the current quarter and Rs.16884 lacs in the current year pertaining to Heumann Pharma GmbH & Co. KG, Germany acquired during the year. The sales outside India for the comparative periods do not include such sales.

(B) Notes to Stand-alone Audited Results :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 23-May-06. There is no qualification in the Auditors Report on this statement of financial results.
- The figures for the comparative periods, wherever necessary have been regrouped to render them comparable with the figures for the current period.
- 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-05	31-Mar-06	31-Mar-05	Growth(%)	31-Mar-06	31-Mar-05
Domestic Formulations	35490	8956	5229	71%	44446	33310	33%
Exports	12408	3615	3195	13%	16023	8582	87%
Contract Manufacture	9244	3191	2331	37%	12435	9462	31%
Others	100	34	35	-	134	122	-
Gross Sales	57242	15796	10790	46%	73038	51476	42%
Less : Excise duty	4440	796	692	-	5236	4275	-
Net Sales	52802	15000	10098	49%	67802	47201	44%

Domestic formulations sales for the comparative quarter were adversely 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 certain State Governments. Most of the affected sales was recovered in the first quarter of the current year.

- Other operating income for the previous year includes license income of Rs. 1389 lacs received on out licensing of new molecular entity.
- During the current year certain expenses amounting to Rs. 1942 lacs were reclassified from the group of Selling Expenses to the group of Manufacturing & Other Expenses. To that extent the amounts for the two periods are not comparable.
- In terms of the Guidance Note on Accounting for Credit Available in Respect of Minimum Alternative Tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, the excess of Minimum Alternate Tax (MAT) over normal current tax payable has been accounted as an asset by credit to the profit & loss account as MAT Credit Entitlement.
- Exceptional item represents the outstanding amount of advance for material supply due from Torrent Gujarat Biotech Ltd. (TGBL) written off. During the year due to adverse business conditions TGBL shut down its manufacturing facilities and sold its assets. Consequently there is no possibility of further supply of materials against the advance. Due to weak financial condition, TGBL cannot return the material advance. Provision for taxation includes Rs. 271 lacs tax benefit attributable to write-off.
- During the current quarter the Company split the face value of its equity shares from Rs.10 to Rs.5 and also issued bonus equity shares in the ratio of 1 bonus share for every share on a post-split basis. The basic and diluted EPS for each of the periods has been calculated on the outstanding equity shares duly adjusted for split and bonus.
- The Board of Directors have proposed equity dividend of Rs. 2.50 (previous year Rs. 8.00) per equity share of Rs. 5 each (previous year Rs. 10 each) fully paid up on post-split and post-bonus equity capital. The aggregate amount of equity dividend proposed to be distributed is Rs. 2412 lacs (previous year Rs. 1930 lacs) including tax on distributed profits of Rs. 297 lacs (previous year Rs. 237 lacs).
- The Company borrowed secured long term loan of Rs. 1000 lacs during current quarter & Rs. 6601 lacs during the current year from the banks & financial institutions mainly for financing certain capital expenditure plans.
- (a) Laboratorios Torrent, S.A. de C.V., a wholly owned subsidiary (WOS) was incorporated in Mexico, on 20-Mar-06.  
(b) Torrent Pharma Japan Co. Ltd, a wholly owned subsidiary (WOS) was incorporated in Japan, on 03-Apr-06.
- Information relating to investor complaints as required by clause 41 of listing agreement for the quarter ended 31-Mar-06 is as follows :  
Un-disposed complaints as of 1-Jan-06 ..... NIL  
Complaints received during the quarter ..... 06  
Complaints disposed of during the quarter .....06  
Un-disposed complaints as of 31-Mar-06.....NIL

For TORRENT PHARMACEUTICALS LIMITED

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SAMIR MEHTA  
Managing Director

Place : Ahmedabad  
Date : 23-May-06

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