



**TORRENT PHARMACEUTICALS LTD.**

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

**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE, 2006**

(Rs. in lacs except per share data)

PARTICULARS	STANDALONE AUDITED RESULTS			CONSOLIDATED RESULTS	
	THREE MONTHS ENDED ON		ACCOUNTING YEAR ENDED ON	THREE MONTHS ENDED ON	ACCOUNTING YEAR ENDED ON
	30-06-2006	30-06-2005	31-03-2006	30-06-2006	31-03-2006
				UNAUDITED	AUDITED
Sales (net of Sales Tax / VAT)	21507	20053	73038	29875	100101
Less : Excise and Similar Duties Collected	626	1656	5236	920	6427
Net Sales	20881	18397	67802	28955	93674
Other Operating Income	229	402	1395	534	3042
Net Sales & Income from Operations	21110	18799	69197	29489	96716
Expenditure					
Decrease/(Increase) in Stock in Trade	(832)	770	(430)	(1920)	(6305)
Consumption of Raw/Packing Material	6946	5743	23656	6946	23656
Purchase of Traded Goods	1456	718	3211	4888	16868
Staff Cost	2442	1736	7726	5951	17977
Manufacturing & Other Expenses	2822	1900	10538	5136	16344
Selling Expenses	2258	1592	6974	3884	11728
Research & Development Expenses	1161	1651	5642	1161	5642
Total Expenditure	16253	14110	57317	26046	85910
Operating Profit before Interest, Depreciation & Amortization and Tax	4857	4689	11880	3443	10806
Net Interest Expense	265	90	546	320	614
Depreciation & Amortization	723	499	2366	759	2552
Operating Profit / (Loss) before Tax	3869	4100	8968	2364	7640
Other Income	6	55	130	6	130
Profit / (Loss) before Tax and Exceptional Item	3875	4155	9098	2370	7770
Provision for Taxation					
Current Tax	425	349	684	432	802
MAT Credit Entitlement	(425)	-	(300)	(425)	(300)
Deferred Tax	647	421	1067	654	1167
Fringe Benefit Tax	86	50	258	86	258
(Excess)/Short Provision of Tax of Earlier Years	-	-	-	-	(49)
Profit after Tax and before Exceptional Item	733	820	1709	747	1878
Exceptional Item	-	-	(806)	-	(806)
Net Profit / (Loss) for the Period	3142	3335	6583	1623	5086
Paid-up Equity Share Capital (Face Value Rs.5)	4231	2116	4231	4231	4231
Reserves excluding revaluation reserves	-	-	34021	-	30553
Basic & Diluted EPS for the period	3.71	3.94	7.78	1.92	6.01
Basic & Diluted EPS for the period on Profit after Tax adjusted for exceptional item	3.71	3.94	8.41	1.92	6.64
Non-Promoter shareholding					
Number of shares	21919832		21919832		

Notes to Consolidated Unaudited Results:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 21-Jul-06.
- The comparative figures have not been provided as the Company did not follow the practice of providing consolidated financials for that period.
- a) The Company has consolidated the financial results of the following wholly owned subsidiaries :
 

Heumann Pharma GmbH & Co Generika KG	Germany
Torrent Do Brasil Ltda	Brasil
Zao Torrent Pharma	Russia
Torrent Pharma GmbH	Germany
Torrent Pharma Philippines Inc.	Philippines
Torrent Pharma Inc.	U.S.A.
Torrent Pharma Japan Co. Ltd	Japan
Laboratorios Torrent S.A. de C.V	Mexico
- b) Consolidated Financial Results does not include financial results of Torrent Australasia Pty Ltd. as there were no transaction during the reporting period.
- 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.

(Rs. lacs)

Particulars	Quarter Ended			Year Ended
	30-Jun-06	30-Jun-05	Growth %	31-Mar-06
Sales in India				
Branded Business	14799	13180	12%	44446
Contract Manufacture	2730	3044	-10%	12435
Others	67	16	-	134
Total Sales in India (A)	17596	16240	8%	57015
Sales Outside India (B)	12279	5831	111%	43086
Total Sales (A+B)	29875	22071	35%	100101
Less : Excise and similar duties	920	1909	-	6427
Net Sales	28955	20162	44%	93674

Sales outside India includes Rs. 5569 lacs in the current quarter and Rs.16884 lacs in the previous year pertaining to Heumann Pharma GmbH & Co Generika KG, Germany acquired on 04-Jul-05. The sales outside India for the comparative quarter do not includes 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 21-Jul-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 make 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.

(Rs. lacs)

Particulars	Quarter Ended			Year Ended
	30-Jun-06	30-Jun-05	Growth %	31-Mar-06
Domestic Formulations	14799	13180	12%	44446
Exports	3911	3813	3%	16023
Contract Manufacture	2730	3044	-10%	12435
Others	67	16	-	134
Gross Sales	21507	20053	7%	73038
Less : Excise duty	626	1656		5236
Net Sales	20881	18397	14%	67802

Domestic formulations sales for the comparative quarter included the spill over sales due to postponement of purchases by the trade channel on account of uncertainties prevailing during March 2005 in respect of implementation of Value Added Tax in lieu of Sales Tax by certain State Governments.

- Effective financial year 2006-07, the Company implemented accounting standard AS 15 (Revised 2005) dealing with Employee Benefits, issued by the Institute of Chartered Accountants of India. AS 15 (Revised 2005) deals with recognition, measurement and disclosure of short term, post-employment, termination and other long term employee benefits provided by the Company. A adoption of AS 15 (Revised 2005) has resulted in certain changes in accounting policies followed by the Company in respect of post-employment and other long term employee benefits. However the changes are not expected to have a material effect on the financial statements of the current year. As permitted by the transitional provisions in AS 15 (Revised 2005) Rs.216 lacs (net of deferred tax asset of Rs.90 lacs) being difference between present value of defined benefit obligations on account of gratuity and long term compensation plans and fair value of plan assets, if any, as on 31-Mar-2006 has been charged off to the General Reserve Account. Impact of interest cost on the post-employment and long term compensation obligations, return on plan assets & actuarial gain or loss will be accounted at end of the year based on actuarial valuation or similar estimates made by the Company.
- Exceptional item in previous year represents the outstanding amount of advance for material supply due from Torrent Gujarat Biotech Ltd. (TGBL) written off.
- The Company borrowed secured long term loan of Rs.3600 lacs during current quarter (comparative quarter Rs.5601 lacs) from the banks & financial institutions mainly for financing certain capital expenditure plans.
- (a) Laboratorios Torrent, S.A. de C.V., a wholly owned subsidiary was incorporated in Mexico, on 20-Mar-06. The initial equity capital of Rs. 117 lacs was contributed during the current quarter.
- (b) Torrent Pharma Japan Co. Ltd, a wholly owned subsidiary was incorporated in Japan, on 03-Apr-06, with an initial equity capital of Rs. 38 lacs.
- During the quarter, 7 investor complaints were received and resolved. No complaints were pending either at the beginning or at the end of the quarter.

For TORRENT PHARMACEUTICALS LIMITED

Place : Ahmedabad

Date : 21-Jul-06

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SAMIR MEHTA  
Managing Director