

TORRENT PHARMACEUTICALS LIMITED

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED ON 30TH SEPTEMBER, 2006

[Rs. in lacs except per share data]

PARTICULARS	STANDALONE AUDITED RESULTS					CONSOLIDATED RESULTS				
	THREE MONTHS ENDED ON		SIX MONTHS ENDED ON		ACCOUNTING YEAR ENDED ON	THREE MONTHS ENDED ON		SIX MONTHS ENDED ON		ACCOUNTING YEAR ENDED ON
	30-09-2006	30-09-2005	30-09-2006	30-09-2005	31-03-2006	30-09-2006	30-09-2005	30-09-2006	30-09-2005	31-03-2006
						UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Sales (net of Sales Tax / VAT)	22974	19006	44481	39059	73038	32264	25941	62139	48012	100101
Less: Excise and similar duties collected	268	1466	894	3122	5236	687	1749	1607	3658	6427
Net Sales	22706	17540	43587	35937	67802	31577	24192	60532	44354	93674
Other Operating Income	309	340	538	742	1395	634	738	1168	1245	3042
Net Sales & Income from Operations	23015	17880	44125	36679	69197	32211	24930	61700	45599	96716
Expenditure										
Decrease/(Increase) in Stock in Trade	(1313)	(262)	(2145)	508	(430)	(3254)	(6142)	(5174)	(5454)	(6305)
Consumption of Raw/Packing Material	7578	6435	14524	12178	23656	7578	6435	14524	12178	23656
Purchase of Traded Goods	2282	428	3738	1146	3211	6131	8227	11019	9061	16868
Staff Cost	3250	1838	5692	3574	7726	6696	4922	12647	7952	17977
Manufacturing & Other Expenses	3130	2839	5952	4739	10538	5043	4169	10179	6466	16344
Selling Expenses	2138	1684	4396	3276	6974	4246	2895	8130	5135	11728
Research & Development Expenses	2097	1344	3258	2995	5642	2097	1344	3258	2995	5642
Total Expenditure	19162	14306	35415	28416	57317	28537	21850	54583	38333	85910
Operating Profit before Interest, Depreciation & Amortization and Tax	3853	3574	8710	8263	11880	3674	3080	7117	7266	10806
Net Interest expense	125	68	390	158	546	232	86	552	181	614
Depreciation & Amortization	752	529	1475	1028	2366	780	582	1539	1090	2552
Operating Profit before Tax	2976	2977	6845	7077	8968	2662	2412	5026	5995	7640
Other Income	1	58	7	113	130	2	65	8	122	130
Profit before Tax and exception items	2977	3035	6852	7190	9098	2664	2477	5034	6117	7770
Provision for Taxation										
Current Tax	328	246	753	595	684	315	245	747	548	802
MAT Credit Entitlement	(328)	-	(753)	-	(300)	(328)	-	(753)	-	(300)
Deferred Tax	356	455	1003	876	1067	335	450	989	852	1167
Fringe Benefit Tax	57	74	143	124	258	57	74	143	124	258
Excess Provision of Tax of Earlier Years	-	-	-	-	-	-	-	-	-	(49)
	413	775	1146	1595	1709	379	769	1126	1524	1878
Profit after Tax and before Exceptional Item	2564	2260	5706	5595	7389	2285	1708	3908	4593	5892
Exceptional Items	-	-	-	-	(806)	-	-	-	-	(806)
Net Profit for the Period	2564	2260	5706	5595	6583	2285	1708	3908	4593	5086
Paid-up Equity Share Capital [Face Value Rs.5 except for quarter & half year comparative periods, Rs.10]	4231	2116	4231	2116	4231	4231	2116	4231	2116	4231
Reserves excluding revaluation reserves	-	-	-	-	34021	-	-	-	-	30553
Basic & Diluted EPS for the period	3.03	2.67	6.74	6.61	7.78	2.70	2.02	4.62	5.43	6.01
Basic & Diluted EPS for the period on Profit after Tax adjusted for Exceptional Items	3.03	2.67	6.74	6.61	8.41	2.70	2.02	4.62	5.43	6.64
Aggregate of Public shareholding										
Number of shares	21919832				21919832					
Percentage of shareholding	25.91%				25.91%					

(A) 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 28-Oct-06.
- The figures for the comparative periods, wherever necessary, have been regrouped to render them comparable with the figures for the current 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	Brazil
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
Torrent Australasia Pty Ltd	Australia
- (b) The consolidation of subsidiaries has been done in accordance with Accounting Standard 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants 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	Rs lacs						
	Quarter Ended			Half Year Ended			Year Ended
	30-Sep-06	30-Sep-05	Growth %	30-Sep-06	30-Sep-05	Growth %	31-Mar-06
Sales in India							
Branded Business	15214	11473	33%	30013	24653	22%	44446
Contract Manufacture	3354	3010	11%	6084	6054	0%	12435
Others	30	55	-	97	71	-	134
Total Sales in India (A)	18598	14538	28%	36194	30778	18%	57015
Sales outside India (B)	13666	11403	20%	25945	17234	51%	43086
Total Sales (A+B)	32264	25941	24%	62139	48012	29%	100101
Less : Excise and similar duties	687	1749	-	1607	3658	-	6427
Net Sales	31577	24192	31%	60532	44354	36%	93674

Sales outside India includes Rs.10691 lacs in the current half year (Rs. 5079 lacs in comparative half year) and Rs.16884 lacs in the previous year pertaining to Heumann Pharma GmbH & Co Generika KG, Germany acquired on 04-Jul-05.

- The basic and diluted EPS for the comparative quarter and half year is calculated on post-split and post-bonus shares basis to facilitate comparison.

(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 28-Oct-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	Rs lacs						
	Quarter Ended			Half Year Ended			Year Ended
	30-Sep-06	30-Sep-05	Growth %	30-Sep-06	30-Sep-05	Growth %	31-Mar-06
Domestic Formulations	15214	11473	33%	30013	24653	22%	44446
Exports	4376	4468	-2%	8287	8281	0%	16023
Contract Manufacture	3354	3010	11%	6084	6054	0%	12435
Others	30	55	-	97	71	-	134
Gross Sales	22974	19006	21%	44481	39059	14%	73038
Less : Excise duty	268	1466	-	894	3122	-	5236
Net Sales	22706	17540	29%	43587	35937	21%	67802

Domestic formulations sales for the comparative half year and financial year 2005-06 includes 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.

- 4 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. Pursuant to the adoption, the additional obligations of the Company amounting to Rs 216 lacs (net of deferred tax asset of Rs 90 lacs) has been charged off to the General Reserve Account.
- 5 The basic and diluted EPS for the comparative quarter and half year is calculated on post-split and post-bonus shares basis to facilitate comparison.
- 6 (a) Torrent Australasia Pty Ltd, a wholly owned subsidiary was incorporated in Australia on 08-Dec-05. The initial equity capital of Rs.30 lacs was contributed during the current quarter.

(b) The Company made additional investment during the current quarter amounting to Rs.1845 lacs in equity shares of Zao Torrent Pharma, its wholly owned subsidiary in Russia.
- 7 During the quarter, 15 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 : 28-Oct-06**

**SAMIR MEHTA
Managing Director**

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