

**TORRENT PHARMACEUTICALS LIMITED**

**AUDITED FINANCIAL RESULTS FOR THE YEAR 2009-10**

[Rs. in Lacs except per share data]

PARTICULARS	QUARTER ENDED		YEAR ENDED	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Sales [see note 2]	34148	27984	138878	114827
Less: Excise Duty collected	50	62	268	382
<b>Net Sales</b>	<b>34098</b>	<b>27922</b>	<b>138610</b>	<b>114445</b>
Other Operating Income	1651	1028	6285	4044
<b>Total Income</b>	<b>35749</b>	<b>28950</b>	<b>144895</b>	<b>118489</b>
<b>Expenditure</b>				
(Increase) / Decrease in Stock	(289)	(1116)	148	(1150)
Consumption of Raw / Packing Materials	9797	10314	40581	37696
Purchase of Traded Goods	2046	1617	6168	5429
Employees Cost	4505	3439	16387	13299
Research and Development Expenses	2607	3070	10907	10582
Depreciation and Amortisation [see note 3]	2269	1105	5442	3739
Other Expenditure	7532	6505	29402	27293
<b>Total Expenditure</b>	<b>28467</b>	<b>24934</b>	<b>109035</b>	<b>96888</b>
<b>Profit from Operations before Other Income, Interest and Exceptional Items</b>	<b>7282</b>	<b>4016</b>	<b>35860</b>	<b>21601</b>
Other Income	391	(184)	900	336
<b>Profit before Interest and Exceptional Items</b>	<b>7673</b>	<b>3832</b>	<b>36760</b>	<b>21937</b>
Net Borrowing Costs	471	425	1679	1944
<b>Profit after Interest but before Exceptional Items</b>	<b>7202</b>	<b>3407</b>	<b>35081</b>	<b>19993</b>
Exceptional Items [see note 4]	(2309)	(1)	(3709)	(876)
<b>Profit from Ordinary Activities before tax</b>	<b>4893</b>	<b>3406</b>	<b>31372</b>	<b>19117</b>
Tax Expense [see note 5]	423	(89)	10635	444
<b>Net Profit from Ordinary Activities after tax</b>	<b>4470</b>	<b>3495</b>	<b>20737</b>	<b>18673</b>
Paid-up Equity Share Capital (Face Value of Rs.5)	4231	4231	4231	4231
Reserves excluding Revaluation Reserves	-	-	83854	69037
Basic and Diluted EPS for the period	5.28	4.13	24.51	22.07
Public shareholding				
Number of shares	24109500	24109500	24109500	24109500
Percentage of shareholding	28.49%	28.49%	28.49%	28.49%
Promoters and promoter group Shareholding				
(a) Pledged/Encumbered				
- Number of shares	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
(b) Non-encumbered				
- Number of shares	60501860	60501860	60501860	60501860
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	71.51%	71.51%	71.51%	71.51%

**Notes :**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 06-May-10. There is no qualification in the Auditors Report on this statement of financial results.
- The Company operates a solitary business segment viz. pharmaceuticals, comprising mainly manufacture of branded formulations. A further breakdown of pharmaceutical sales is given below.

**Rs. in Lacs**

Particulars	Quarter Ended			Year Ended		
	31-Mar-10	31-Mar-09	Growth %	31-Mar-10	31-Mar-09	Growth %
Domestic Formulations	16622	13861	20%	72913	62818	16%
Exports	12732	9654	32%	46817	35470	32%
Contract Manufacture	4768	4445	7%	18970	16385	16%
Others	26	24	-	178	154	-
<b>Gross Sales</b>	<b>34148</b>	<b>27984</b>	<b>22%</b>	<b>138878</b>	<b>114827</b>	<b>21%</b>
Less : Excise duty	50	62	-	268	382	-
<b>Net Sales</b>	<b>34098</b>	<b>27922</b>	<b>22%</b>	<b>138610</b>	<b>114445</b>	<b>21%</b>

- During the current quarter, effective 01-Apr-09, the Company has revised the estimated useful life of plant & machinery, laboratory equipments, furniture & fixtures and office equipments considering technological obsolescence and wear and tear of such assets. In earlier periods, the depreciation was charged as per the rates prescribed in Schedule XIV of the Companies Act, 1956. The changes effected to estimated useful life are as under :

Class of Assets	Revised estimated useful life	Derived useful life as per Schedule XIV
Plant and Machinery	10 to 20 years	20 years
Laboratory Equipments	5 to 20 years	20 years
Electrical Equipments	10 to 20 years	20 years
Furniture & Fixtures	10 years	15 years
Office Equipments	10 years	20 years

Due to this change :

- the depreciation for the current quarter and year is higher by Rs. 1071 lacs.
- the net profit for the current quarter and year is lower by Rs 533 lacs.

- Exceptional item for the current quarter represents impairment of long term investments of Rs. 2308 lacs in Zao Torrent Pharma, a wholly owned subsidiary in Russia, based on the assessment of value of investments.
- (a) During the first quarter of the current financial year "MAT credit entitlement asset" of Rs 5286 lacs recognised in earlier years, was written-off based on amendments made in Income Tax Act 1961, and other relevant factors, and in terms of the "Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961" issued by the Institute of Chartered Accountants of India.  
(b) The Company has not recognised "MAT credit entitlement asset" in the current quarter and year ended 31-Mar-10. The comparative quarter and year includes such credit of Rs 332 lacs and Rs. 1921 lacs respectively.
- (a) Torrent Pharma (Thailand) Co. Limited, a wholly owned subsidiary was incorporated in Thailand on 28-Jan-10.  
(b) The Company made additional investment of Rs. 463 lacs during the current quarter in equity shares of Laboratorios Torrent, S.A. De C.V., its wholly owned subsidiary in Mexico.  
(c) The Company made investment of Rs. 27 lacs during the current quarter in equity shares of Torrent Pharma Canada Inc., its wholly owned subsidiary in Canada.
- The Board of Directors have proposed equity dividend of Rs. 6.00 (previous year Rs. 4.00) per equity shares of Rs. 5 each. The aggregate amount of equity dividend proposed to be distributed is Rs. 5920 Lacs (previous year Rs. 3960 Lacs) including tax on distributed profits Rs. 843 Lacs (previous year Rs. 575 Lacs).
- During the quarter, one investor complaint was received and resolved. No complaints were pending either at the beginning or at the end of the quarter.
- The figures for the comparative periods have been regrouped, wherever necessary, to make them comparable with the figures for the current periods
- The Company has also prepared and published audited consolidated financial results for the quarter and year ended 31-Mar-10.

## 11. Summarised Audited Balance Sheet

PARTICULARS	Rs. in Lacs	
	As at 31-Mar-2010	As at 31-Mar-2009
<b>Shareholders' Funds</b>		
Share Capital	4231	4231
Reserves and Surplus	83854	69037
	88085	73268
<b>Loan Funds</b>	52239	48206
<b>Net Deferred Tax Liabilities</b>	6207	6833
<b>TOTAL</b>	<b>146531</b>	<b>128307</b>
<b>Fixed Assets</b>	63101	53296
<b>Investments</b>	23148	24496
<b>Current Assets, Loans And Advances</b>		
Inventories	22788	19184
Sundry Debtors	25978	24081
Cash and Bank Balances	34679	18331
Other Current Assets	3707	2623
Loans and Advances	11378	19495
	98530	83714
<b>Less : Current Liabilities And Provisions</b>		
Liabilities	29993	27445
Provisions	8255	5754
	38248	33199
<b>TOTAL</b>	<b>146531</b>	<b>128307</b>

For TORRENT PHARMACEUTICALS LIMITED

Place : Ahmedabad

Date : 06-May-10

sd/-  
SUDHIR MEHTA  
Chairman

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