

## Balance Sheet

	Schedule	As at			
		31-March-2011		31-March-2010	
		M \$	Rs.	M \$	Rs.
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	1	688.92	2,577.08	420.35	1,587.73
(b) Reserves and Surplus	2	-	(9.26)	-	(26.90)
		<u>688.92</u>	<u>2,567.82</u>	<u>420.35</u>	<u>1,560.83</u>
<b>LOAN FUNDS</b>					
(a) Secured Loans	3	-	-	-	-
(b) Unsecured Loans	4	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Deferred Tax Liability</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>688.92</u>	<u>2,567.82</u>	<u>420.35</u>	<u>1,560.83</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
(a) Gross Block	5	5.96	22.43	4.73	17.25
(b) Less : Depreciation & Amortisation		<u>1.60</u>	<u>6.00</u>	<u>0.56</u>	<u>2.03</u>
(c) Net Block		4.36	16.43	4.17	15.23
(d) Capital Work in Progress		<u>5.19</u>	<u>19.52</u>	<u>5.19</u>	<u>18.95</u>
		<u>9.55</u>	<u>35.95</u>	<u>9.36</u>	<u>34.18</u>
<b>INVESTMENTS</b>					
	6	-	-	-	-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
(a) Inventories	7	22.29	82.24	9.64	34.51
(b) Sundry Debtors	8	409.94	1,541.36	7.80	28.48
(c) Cash and Bank Balances	9	0.08	0.30	28.22	103.00
(d) Other Current assets	10	60.79	228.57	-	-
(e) Loans and Advances	11	12.77	47.99	50.22	183.30
		<u>505.87</u>	<u>1,900.46</u>	<u>95.88</u>	<u>349.29</u>
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>					
(a) Current Liabilities	12	200.07	752.23	38.43	140.26
(b) Provisions	13	-	-	-	-
		<u>200.07</u>	<u>752.23</u>	<u>38.43</u>	<u>140.26</u>
<b>Net Current Assets</b>		<u>305.80</u>	<u>1,148.23</u>	<u>57.45</u>	<u>209.03</u>
<b>Profit &amp; Loss Account</b>		<u>373.57</u>	<u>1,383.64</u>	<u>353.53</u>	<u>1,317.62</u>
<b>MISCELLANEOUS EXPENDITURE</b>					
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>688.92</u>	<u>2,567.82</u>	<u>420.35</u>	<u>1,560.83</u>

All monetary and non-monetary items in the balance sheet have been translated at closing rate of 1 Mex \$ = Rs. 3.76(Rs. 3.65)

## Profit &amp; Loss Account

	Schedule	For the year ended			
		31-March-2011		31-March-2010	
		M \$	Rs.	M \$	Rs.
<b>INCOME</b>					
(a) Sales & Operating Income	14	694.53	2,551.98	16.84	60.32
(b) Other Income	15	0.44	1.65	-	(0.02)
Total (a+b)		694.97	2,553.63	16.84	60.31
<b>EXPENDITURE</b>					
(c) Material Cost	16	63.63	231.27	12.55	44.92
(e) Personnel Costs	17	240.89	877.37	59.08	213.01
(f) Manufacturing and Other Expenses	18	229.03	840.61	40.11	144.56
(g) Research & Development Expenses		181.19	669.38	77.34	277.91
(h) Depreciation & Amortisation		1.04	3.81	0.27	0.98
Total (c to h)		715.78	2,622.44	189.36	681.38
<b>PROFIT BEFORE INTEREST, TAX AND EXCEPTIONAL ITEM</b>					
Net Interest expense/(income)	19	(0.77)	(2.79)	(0.27)	(0.98)
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>					
		(20.04)	(66.02)	(172.25)	(620.09)
<b>PROVISION FOR TAXATION:</b>					
Current Tax		-	-	-	-
Deferred Tax		-	-	-	-
Short provision for tax of earlier years		-	-	-	-
<b>PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEMS</b>					
Exceptional items		(20.04)	(66.02)	(172.25)	(620.09)
<b>NET PROFIT FOR THE PERIOD</b>					
Balance Brought forward from Previous Year		(353.53)	(1,317.62)	(181.28)	(697.53)
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>					
<b>APPROPRIATIONS</b>					
		-	-	-	-
<b>Balance Carried to Balance Sheet</b>		<b>(373.57)</b>	<b>(1,383.64)</b>	<b>(353.53)</b>	<b>(1,317.62)</b>

**SCHEDULES**

annexed to and forming part of the consolidated accounts

	As at			
	31-March-2011		31-March-2010	
	M \$	Rs.	M \$	Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>				
<b>Paid-up</b>				
Equity Shares	688.92	2,577.08	420.35	1,587.73
Add: Share Application money pending allotment			-	-
	688.92	2,577.08	420.35	1,587.73
Add : Shares Forfeited	-	-	-	-
	<u>688.92</u>	<u>2,577.08</u>	<u>420.35</u>	<u>1,587.73</u>
<b>SCHEDULE - 2 : RESERVES AND SURPLUS</b>				
<b>General Reserve</b>				
Foreign Currency Translation Reserve	-	(9.26)	-	(26.90)
	-	-	-	-
<b>Surplus balance in Profit &amp; Loss Account</b>	-	(9.26)	-	(26.90)
	<u>-</u>	<u>(9.26)</u>	<u>-</u>	<u>(26.90)</u>
<b>SCHEDULE - 3 : SECURED LOANS</b>				
	-	-	-	-
<b>SCHEDULE - 4 : UNSECURED LOANS</b>				
	-	-	-	-
<b>SCHEDULE - 6 : INVESTMENTS</b> (Unquoted unless otherwise stated)				
	-	-	-	-
<b>SCHEDULE - 7 : INVENTORIES</b>				
Traded Goods	22.29	82.24	9.64	34.51
	<u>22.29</u>	<u>82.24</u>	<u>9.64</u>	<u>34.51</u>
<b>SCHEDULE - 8 : SUNDRY DEBTORS</b>				
(Unsecured)				
Debts over six months				
Considered Good	59.25	222.78	-	-
Doubtful	-	-	-	-
Less :- Provision	-	-	-	-
	59.25	222.78	-	-
Other Debts - Considered Good	350.69	1,318.58	7.80	28.48
	<u>409.94</u>	<u>1,541.36</u>	<u>7.80</u>	<u>28.48</u>
<b>SCHEDULE - 9 : CASH AND BANK BALANCES</b>				
Cash on hand	0.02	0.08	0.00	0.01
With Non - Scheduled Banks in current accounts	0.06	0.22	-	-
With Non - Scheduled Banks in Fixed Deposit Accounts			28.22	102.99
	<u>0.08</u>	<u>0.30</u>	<u>28.22</u>	<u>103.00</u>
<b>SCHEDULE - 10 : OTHER CURRENT ASSETS</b> (Unsecured and considered good, unless otherwise stated)				
Export benefits receivable	-	-	-	-
Customs, Excise & Insurance Claims receivable				
Considered Good	60.79	228.57	-	-
Doubtful	-	-	-	-
Less :- Provision	-	-	-	-
	60.79	228.57	-	-
Interest accrued	-	-	-	-
Others	-	-	-	-
	<u>60.79</u>	<u>228.57</u>	<u>-</u>	<u>-</u>
<b>SCHEDULE - 11: LOANS AND ADVANCES</b> (Unsecured and considered good)				
Advances recoverable in cash or in kind or for value to be received	12.58	47.29	15.56	56.80
Less : Provision for Doubtful Advances	-	-	-	-
	12.58	47.29	15.56	56.80
Balance with the Excise Department / VAT Advance Tax and Tax Deducted	0.19	0.70	-	-
	<u>12.77</u>	<u>47.99</u>	<u>50.22</u>	<u>183.30</u>

**SCHEDULES**  
annexed to and forming part of the financial statements

As at

	31-March-2011		31-March-2010	
	M \$	Rs.	M \$	Rs.
<b>SCHEDULE - 12 : CURRENT LIABILITIES</b>				
Sundry Creditors	112.73	423.80	13.40	48.90
Due to Subsidiary Companies	72.43	272.33	16.35	59.66
Other Liability	6.53	24.57	5.96	21.75
Book Overdraft	8.38	31.53	2.72	9.95
	<u>200.07</u>	<u>752.23</u>	<u>38.43</u>	<u>140.26</u>

**SCHEDULE - 13: PROVISIONS**

	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the year ended

	31-March-2011		31-March-2010	
	M \$	Rs.	M \$	Rs.
<b>SCHEDULE - 14 : SALES &amp; OPERATING INCOME</b>				
<b>Sales</b>				
Domestic (net of Sales Tax & VAT)	163.10	597.65	15.91	56.99
<b>Operating Income</b>				
Other Operating Income	531.43	1954.33	0.93	3.33
	<u>694.53</u>	<u>2,551.98</u>	<u>16.84</u>	<u>60.32</u>

**SCHEDULE - 15 : OTHER INCOME**

Miscellaneous Income	0.44	1.65	-	(0.02)
Others				
	<u>0.44</u>	<u>1.65</u>	<u>-</u>	<u>(0.02)</u>

**SCHEDULE - 16 : MATERIAL COST**

Purchase of Traded Goods	76.28	279.00	22.19	79.43
	<u>76.28</u>	<u>279.00</u>	<u>22.19</u>	<u>79.43</u>

**(INCREASE)/DECREASE IN STOCK**

Opening Stocks				
Traded Goods	9.64	34.51	-	-
	<u>9.64</u>	<u>34.51</u>	<u>-</u>	<u>-</u>
Less: Closing Stocks				
Traded Goods	22.29	82.24	9.64	34.51
	<u>22.29</u>	<u>82.24</u>	<u>9.64</u>	<u>34.51</u>
	<u>(12.65)</u>	<u>(47.73)</u>	<u>(9.64)</u>	<u>(34.51)</u>
	<u>63.63</u>	<u>231.27</u>	<u>12.55</u>	<u>44.92</u>

**SCHEDULE - 17 : PERSONNEL COSTS**

Salaries, Wages and Bonus	188.65	686.73	49.35	177.95
Contribution to Provident, Gratuity and other Funds	35.84	130.80	6.47	23.32
Welfare Expenses	16.40	59.84	3.26	11.74
	<u>240.89</u>	<u>877.37</u>	<u>59.08</u>	<u>213.01</u>

**SCHEDULE - 18 : MANUFACTURING & OTHER EXPENSES**

Repairs & Maintenance :				
Machinery	-	-	-	-
Buildings	-	-	-	-
Others	2.59	9.48	0.75	2.70
	<u>2.59</u>	<u>9.48</u>	<u>0.75</u>	<u>2.70</u>
Selling, Publicity & Medical Literature Expenses	97.94	358.47	17.43	62.76
Travelling, Conveyance & Vehicle Expenses	57.72	212.21	5.07	18.28
Printing & Stationery Expenses	0.04	0.16	1.12	4.05
Communication Expenses	5.50	20.14	1.77	6.38
Insurance	0.21	0.79	0.17	0.60
Rent	6.52	23.89	3.39	12.23
Rates & Taxes	2.38	8.86	0.92	3.34
Lease Rent			-	-
Auditors Remuneration & Expenses	2.71	10.03	0.25	0.90
Directors Sitting Fees			-	-
Commission to Non Executive Director			-	-
Exchange Loss / (Gain) on Translation			-	-
Net Foreign Exchange Loss	8.61	32.05	-	-
General Charges	44.81	164.53	9.24	33.32
	<u>229.03</u>	<u>840.61</u>	<u>40.11</u>	<u>144.56</u>

**SCHEDULE - 19 : NET INTEREST EXPENSE/(INCOME)**

Received	0.77	2.79	0.27	0.98
	<u>(0.77)</u>	<u>(2.79)</u>	<u>(0.27)</u>	<u>(0.98)</u>

LABORATORIOS TORRENT S.A. DE C.V.  
SCHEDULE - 5: FIXED ASSETS

(Mexican Pesos in Lacs)

Particulars	Gross Block (At Cost)						Depreciation & Amortization						Net Block	
	As at 1-Apr-10	Additions up to 31-Mar-11	Deductions up to 31-Mar-11	As at 31-Mar-11	Forex Adjustments	As at 31-Mar-11	As at 1-Apr-10	For the year ended 31-Mar-11	On deduction up to 31-Mar-11	As at 31-Mar-11	Forex Adjustments	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
<b>I. TANGIBLES :</b>														
Furniture and Fixtures, Office and Factory Appliances	4.73	1.30	0.06	5.96	-	5.96	0.56	1.04	-	1.60	-	1.60	4.37	4.17
<b>II. INTANGIBLES :</b>														
<b>TOTAL</b>	<b>4.73</b>	<b>1.30</b>	<b>0.06</b>	<b>5.96</b>	<b>-</b>	<b>5.96</b>	<b>0.56</b>	<b>1.04</b>	<b>-</b>	<b>1.60</b>	<b>-</b>	<b>1.60</b>	<b>4.37</b>	<b>4.17</b>
<b>Previous Year</b>	0.54	4.19	-	4.73	-	4.73	0.28	0.27	-	0.56	-	0.56	4.17	

Particulars	Gross Block (At Cost)						Depreciation & Amortization						Net Block	
	As at 1-Apr-10	Additions up to 31-Mar-11	Deductions up to 31-Mar-11	As at 31-Mar-11	Forex Adjustments	As at 31-Mar-11	As at 1-Apr-10	For the year ended 31-Mar-11	On deduction up to 31-Mar-11	As at 31-Mar-11	Forex Adjustments	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
<b>I. TANGIBLES :</b>														
Furniture and Fixtures, Office and Factory Appliances	17.27	4.77	0.23	21.81	0.62	22.43	2.03	3.81	-	5.84	0.16	6.00	16.43	15.24
<b>II. INTANGIBLES :</b>														
<b>TOTAL</b>	<b>17.27</b>	<b>4.77</b>	<b>0.23</b>	<b>21.81</b>	<b>0.62</b>	<b>22.43</b>	<b>2.03</b>	<b>3.81</b>	<b>-</b>	<b>5.84</b>	<b>0.16</b>	<b>6.00</b>	<b>16.43</b>	<b>15.24</b>
<b>Previous Year</b>	1.93	15.13	-	17.06	0.21	17.27	1.02	0.98	-	2.00	0.03	2.03	15.24	

(Rs. In Lacs)

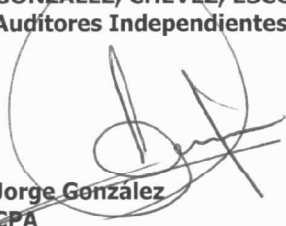
**LABORATORIOS TORRENT S.A. DE C.V.**  
**Cash Flow Statement for the year ended March 31, 2011**

*(Amounts in Mexican Pesos)*

	Year ended 31.03.2011	Year ended 31.03.2010
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	<b>(2,003,170)</b>	<b>(17,224,843)</b>
Adjustments for:		
Depreciation & Amortizations (net)	104,043	27,173
Write off of fixed assets	6,269	-
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(1,892,858)</b>	<b>(17,197,670)</b>
Adjustments for:		
Trade and Other Receivables	(42,456,283)	(4,085,199)
Inventories	<b>(1,264,884)</b>	<b>(963,867)</b>
Trade and Other Payables	16,072,920	3,782,013
<b>CASH GENERATED FROM / (UTILISED IN) OPERATIONS</b>	<b>(29,541,105)</b>	<b>(18,464,723)</b>
Direct Taxes Paid	-	-
<b>CASH FLOWS BEFORE EXTRAORDINARY ITEMS</b>	<b>(29,541,105)</b>	<b>(18,464,723)</b>
EXTRAORDINARY ITEMS:		
Prior Period Income	-	-
Prior Period Adjustment	-	-
<b>NET CASH FROM / (UTILISED IN) OPERATING ACTIVITIES</b>	<b>(29,541,105)</b>	<b>(18,464,723)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Capital WIP / Capital Advances	(130,040)	(938,238)
Sale of Fixed Assets		
Dividend Received	-	-
<b>NET CASH FROM / (UTILISED) IN INVESTING ACTIVITIES</b>	<b>(130,040)</b>	<b>(938,238)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Allotment Money received	26,857,000	20,988,000
Proceeds from Short Term borrowings		-
<b>NET CASH FROM / (UTILISED) IN FINANCING ACTIVITIES</b>	<b>26,857,000</b>	<b>20,988,000</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(2,814,145)</b>	<b>1,585,040</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 01.04.2010 / 01.04.2009</b>	<b>2,821,892</b>	<b>1,236,852</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2011 / 31.03.2010</b>	<b>7,746</b>	<b>2,821,892</b>

As per our Audit Report of even date attached  
**GONZÁLEZ, CHEVEZ, ESCOBEDO Y CIA., S.C.**  
**Audidores Independientes**

Signature to the Cash Flow Statement

  
**Jorge González**  
**CPA**  
 Mexico City,  
 April 18, 2010

**Harihar Balkrishna**  
**President**  
 Ahmedabad

**Deepak Thakkar**  
**Head of Finance**  
 Sao Paulo

April 18, 2010