

**Balance Sheet**

		As at			
	Schedule	31-March-2011		31-March-2010	
		USD	Rs.	USD	Rs.
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	1	12.00	498.78	12.00	498.78
(b) Reserves and Surplus	2	4.21	267.18	1.23	136.23
		<u>16.21</u>	<u>765.96</u>	<u>13.23</u>	<u>635.01</u>
<b>LOAN FUNDS</b>					
(a) Secured Loans	3	-	-	-	-
(b) Unsecured Loans	4	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>16.21</u>	<u>765.96</u>	<u>13.23</u>	<u>635.01</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
(a) Gross Block	5	1.80	80.51	1.12	50.51
(b) Less : Depreciation & Amortisation		0.68	30.55	0.38	17.12
(c) Net Block		1.12	49.96	0.74	33.39
(d) Capital Work in Progress		0.43	19.26	-	-
		<u>1.55</u>	<u>69.22</u>	<u>0.74</u>	<u>33.39</u>
<b>INVESTMENTS</b>					
Net Deferred Tax Asset	6	-	-	-	-
		2.89	128.86	9.42	425.22
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
(a) Inventories	7	100.30	4,520.31	31.90	1,477.61
(b) Sundry Debtors	8	83.72	3,738.30	68.20	3,078.49
(c) Cash and Bank Balances	9	22.76	1,016.24	17.84	805.16
(d) Other Current assets	10	-	-	-	-
(e) Loans and Advances	11	10.29	459.55	0.36	16.10
		<u>217.07</u>	<u>9,734.40</u>	<u>118.29</u>	<u>5,377.36</u>
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>					
(a) Current Liabilities	12	205.30	9,166.52	115.22	5,200.96
(b) Provisions	13	-	-	-	-
		<u>205.30</u>	<u>9,166.52</u>	<u>115.22</u>	<u>5,200.96</u>
Net Current Assets		11.77	567.88	3.07	176.40
<b>PROFIT AND LOSS ACCOUNT</b>					
		<u>16.21</u>	<u>765.96</u>	<u>13.23</u>	<u>635.01</u>

All monetary and non-monetary items in the balance sheet have been translated at closing rate of 1 USD = Rs. 44.65 (Rs. 45.14)

## Profit &amp; Loss Account

	Schedule	For the year ended			
		31-March-2011		31-March-2010	
		USD	Rs.	USD	Rs.
<b>INCOME</b>					
(a) Sales & Operating Income	14	244.66	11,135.89	196.61	9,309.93
(b) Other Income	15	-	-	-	-
Total (a+b)		<u>244.66</u>	<u>11,135.89</u>	<u>196.61</u>	<u>9,309.93</u>
<b>EXPENDITURE</b>					
(c) Materials Cost	16	181.82	8,395.95	154.14	7,381.62
(d) Personnel Costs	17	17.31	788.88	18.84	892.73
(e) Manufacturing and Other Expenses	18	40.15	1,829.95	20.45	964.50
(f) Research & Development Expenses		-	-	-	-
(g) Depreciation & Amortisation		0.31	13.88	0.19	9.22
Total (c to g)		<u>239.59</u>	<u>11,028.66</u>	<u>193.62</u>	<u>9,248.07</u>
<b>PROFIT BEFORE INTEREST, TAX AND EXCEPTIONAL ITEM</b>		5.07	107.23	2.99	61.86
Net Interest expense/(income)	19	(0.13)	(5.90)	(0.04)	(2.09)
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<u>5.20</u>	<u>113.13</u>	<u>3.03</u>	<u>63.96</u>
<b>PROVISION FOR TAXATION:</b>					
Current Tax		(4.19)	(180.47)	9.70	472.75
Deferred Tax		6.14	269.64	(8.74)	(422.73)
		<u>1.95</u>	<u>89.17</u>	<u>0.95</u>	<u>50.02</u>
Short provision for tax of earlier years		0.27	12.36	-	-
		<u>2.22</u>	<u>101.53</u>	<u>0.95</u>	<u>50.02</u>
<b>PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEMS</b>		<u>2.98</u>	<u>11.60</u>	<u>2.08</u>	<u>13.94</u>
Prior Period Adjustment		-	-	-	-
Exceptional items		-	-	-	-
<b>NET PROFIT FOR THE PERIOD</b>		<u>2.98</u>	<u>11.60</u>	<u>2.08</u>	<u>13.94</u>
Balance Brought forward from Previous Year		1.23	110.62	(0.84)	96.69
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>4.21</u>	<u>122.22</u>	<u>1.24</u>	<u>110.62</u>
<b>APPROPRIATIONS</b>					
		-	-	-	-
<b>Balance Carried to Balance Sheet</b>		<u>4.21</u>	<u>122.22</u>	<u>1.24</u>	<u>110.62</u>

**SCHEDULES**  
annexed to and forming part of the consolidated accounts

	As at			
	31-March-2011 USD	Rs.	31-March-2010 USD	Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>				
<b>Paid-up</b>				
Equity Shares	12.00	498.78	12.00	498.78
Less : Allotment Money in arrears			-	-
	12.00	498.78	12.00	498.78
Add : Shares Forfeited	-	-	-	-
	12.00	498.78	12.00	498.78
<b>SCHEDULE - 2 : RESERVES AND SURPLUS</b>				
Surplus Balance in Profit & Loss A/c	4.21	122.22	1.23	110.62
Foreign Currency Translation Reseve		144.96	-	25.61
	4.21	267.18	1.23	136.23
<b>SCHEDULE - 3 : SECURED LOANS</b>				
	-	-	-	-
<b>SCHEDULE - 4 : UNSECURED LOANS</b>				
	-	-	-	-
<b>SCHEDULE - 6 : INVESTMENTS</b> (Unquoted unless otherwise stated)				
Aggregate Amount of unauoted investments	-	-	-	-
<b>SCHEDULE - 7 : INVENTORIES</b>				
Traded Goods	100.30	4,520.31	31.90	1,477.61
	-	-	-	-
	100.30	4,520.31	31.90	1,477.61
<b>SCHEDULE - 8 : SUNDRY DEBTORS</b>				
Other Debts - Considered Good	83.72	3,738.30	68.20	3,078.49
	83.72	3,738.30	68.20	3,078.49
<b>SCHEDULE - 9 : CASH AND BANK BALANCES</b>				
Cash on hand	-	-	-	-
With Non - Scheduled Banks in current accounts	22.76	1,016.24	17.84	805.16
	22.76	1,016.24	17.84	805.16
<b>SCHEDULE - 10 : OTHER CURRENT ASSETS</b> (Unsecured and considered good, unless otherwise stated)				
Others	-	-	-	-
<b>SCHEDULE - 11: LOANS AND ADVANCES</b> (Unsecured and considered good)				
Short Term Deposits			0.01	0.49
Advances to Subsidiary Company	-	-	-	-
Advances recoverable in cash or in kind or for value to be received	2.54	113.53	0.35	15.60
Less : Provision for Doubtful Advances	-	-	-	-
	2.54	113.53	0.35	15.60
Advance Tax Paid net of Provisions	7.75	346.02		
	10.29	459.55	0.36	16.10

**SCHEDULES**  
annexed to and forming part of the consolidated accounts

	As at			
	31-March-2011		31-March-2010	
	USD	Rs.	USD	Rs.
<b>SCHEDULE - 12 : CURRENT LIABILITIES</b>				
Sundry Creditors	79.57	3,553.10	39.47	1,781.70
Due to Subsidiary Companies	125.95	5,623.45	67.01	3,024.82
Other Liability	(0.22)	(10.03)	-	-
Book Overdraft	-	-	-	-
<b>Investor Education and Protection Fund:</b>	-	-	-	-
Unclaimed Dividend	-	-	-	-
Unclaimed Share Application Money	-	-	-	-
Unclaimed Matured Fixed Deposits	-	-	-	-
Unclaimed Matured Debentures	-	-	-	-
Interest accrued on above	-	-	-	-
Taxes / Vat Payable	-	-	-	-
Advances from Customers	-	-	-	-
Interest accrued but not due	-	-	-	-
Provision net of Advance Tax	-	-	8.74	394.44
Interim Dividend Payable	-	-	-	-
	<u>205.30</u>	<u>9,166.52</u>	<u>115.22</u>	<u>5,200.96</u>
<b>SCHEDULE - 13: PROVISIONS</b>				
Provision for Taxation	-	-	-	-
Accrued leave	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>For the year ended</b>				
	31-March-2011		31-March-2010	
	USD	Rs.	USD	Rs.
<b>SCHEDULE - 14 : SALES &amp; OPERATING INCOME</b>				
<b>Sales</b>				
Sales	240.12	10,928.64	192.19	9,090.06
Total	<u>240.12</u>	<u>10,928.64</u>	<u>192.19</u>	<u>9,090.06</u>
Less : Excise Duty / ICMS collected	-	-	-	-
	<u>240.12</u>	<u>10,928.64</u>	<u>192.19</u>	<u>9,090.06</u>
<b>Operating Income</b>				
Other Operating Income	4.54	207.25	4.43	219.87
	<u>4.54</u>	<u>207.25</u>	<u>4.43</u>	<u>219.87</u>
	<u>244.66</u>	<u>11,135.89</u>	<u>196.61</u>	<u>9,309.93</u>
<b>SCHEDULE - 15 : OTHER INCOME</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SCHEDULE - 16 : MATERIAL COST</b>				
<b>Purchase of Traded Goods</b>				
	250.22	11,438.65	164.01	7,773.82
	<u>250.22</u>	<u>11,438.65</u>	<u>164.01</u>	<u>7,773.82</u>
<b>(INCREASE)/DECREASE IN STOCK</b>				
Opening Stocks				
Finished Goods	31.90	1,477.61	22.03	1,085.41
Traded Goods	-	-	-	-
Work in Process	-	-	-	-
	<u>31.90</u>	<u>1,477.61</u>	<u>22.03</u>	<u>1,085.41</u>
Less: Closing Stocks				
Finished Goods	100.30	4,520.31	31.90	1,477.61
Traded Goods	-	-	-	-
Work in Process	-	-	-	-
	<u>100.30</u>	<u>4,520.31</u>	<u>31.90</u>	<u>1,477.61</u>
	<u>(68.40)</u>	<u>(3,042.70)</u>	<u>(9.87)</u>	<u>(392.21)</u>
	<u>181.82</u>	<u>8,395.95</u>	<u>154.14</u>	<u>7,381.62</u>
<b>SCHEDULE - 17 : PERSONNEL COSTS</b>				
Salaries, Wages and Bonus	15.59	710.79	16.97	804.74
Contribution to Provident, Gratuity and other Funds	0.68	30.85	0.46	21.35
Welfare Expenses	1.04	47.24	1.41	66.64
	<u>17.31</u>	<u>788.88</u>	<u>18.84</u>	<u>892.73</u>

**SCHEDULES**  
annexed to and forming part of the consolidated accounts

	For the year ended			
	31-March-2011		31-March-2010	
	USD	Rs.	USD	Rs.
<b>SCHEDULE - 18 : MANUFACTURING &amp; OTHER EXPENSES</b>				
Labour and Job Work Charges	-	(0.23)	-	-
Selling, Publicity & Medical Literature Expenses	19.45	885.14	14.78	697.78
Travelling, Conveyance & Vehicle Expenses	0.51	23.36	0.32	15.16
Communication Expenses	0.31	13.93	0.33	15.27
Insurance	1.53	69.80	1.40	66.33
Rent	0.33	15.02	0.21	9.97
Rates & Taxes	0.13	6.47	0.13	5.96
Auditors Remuneration & Expenses	0.85	38.94	0.12	5.61
General Charges	17.04	777.52	3.17	148.83
Donation	-	-	-	-
Loss on Sale of Assets/ Impairment Loss on Assets	-	-	-	-
	<u>40.15</u>	<u>1,829.95</u>	<u>20.45</u>	<u>964.50</u>
<b>SCHEDULE - 19 : NET INTEREST EXPENSE/(INCOME)</b>				
Paid				
Fixed Period Loans	-	-	-	-
Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Received				
	0.13	5.90	0.04	2.09
	<u>(0.13)</u>	<u>(5.90)</u>	<u>(0.04)</u>	<u>(2.09)</u>



Torrent Pharma Inc.

Statements of Cash Flows

	<b>Year ended March 31</b>	
	<b>2011</b>	<b>2010</b>
<b>Operating activities</b>		
Net income	\$ 297,710	\$ 407,387
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	30,502	19,462
Provision for incentive compensation	129,131	129,731
Payment of incentive compensation	(139,731)	(140,940)
Deferred income taxes	653,400	(771,300)
Changes in operating assets and liabilities:		
Accounts receivable	(852,825)	(4,963,824)
Inventory	(6,839,523)	(987,479)
Refundable taxes	(820,758)	—
Prepaid expenses	2,200	(19,094)
Accounts payable	4,748,381	2,995,865
Accrued expenses	3,395,387	3,931,062
Total adjustments	<u>306,164</u>	<u>193,483</u>
Net cash provided by operating activities	<u>603,874</u>	<u>600,870</u>
<b>Investing activities</b>		
Equipment expenditures	(68,426)	(25,806)
Software under development expenditures	(43,140)	—
Net cash used in investing activities	<u>(111,566)</u>	<u>(25,806)</u>
Net increase in cash	492,308	575,064
Cash, beginning of year	1,783,698	1,208,634
Cash, end of year	<u>\$ 2,276,006</u>	<u>\$ 1,783,698</u>

*See accompanying notes to financial statements.*