

TORRENT PHARMACEUTICALS LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH SEPTEMBER, 2004

[Rs. in lacs except per share data]

PARTICULARS	THREE MONTHS ENDED ON		SIX MONTHS ENDED ON		ACCOUNTING YEAR ENDED ON
	30-09-2004	30-09-2003	30-09-2004	30-09-2003	31-03-2004
Sales (net of Sales Tax collected) [see note 2 (a)]	13853	12558	27241	25150	47730
Less: Excise Duty collected	1177	1254	2499	2542	4742
Net Sales	12676	11304	24742	22608	42988
Other Operating Income [5 (a)]	1716	480	2021	755	1319
Net Sales & Income from Operations	14392	11784	26763	23363	44307
Expenditure					
(Increase)/Decrease in Stock in Trade	(151)	(850)	(419)	(297)	(1043)
Consumption of Raw/Packing Material and Purchase of Traded Goods [see note 2 (a) & 3]	5220	5253	9452	9373	17706
Staff Cost	1538	985	2961	1939	4074
Manufacturing & Other Expenses	1640	1498	2842	2499	5472
Selling Expenses	1614	1193	3019	2270	4873
Research & Development Expenses	1260	618	2281	1271	2948
Total Expenditure	11121	8697	20136	17055	34030
Operating Profit before Interest, Depreciation & Amortization and Tax	3271	3087	6627	6308	10277
Net Interest expense/(income)	15	(14)	29	(28)	(24)
Depreciation & Amortization	445	473	850	819	1569
Operating Profit before Tax	2811	2628	5748	5517	8732
Other Income [7 (b)]	74	77	143	122	365
Profit before Tax and Exceptional Items	2885	2705	5891	5639	9097
Provision for Taxation					
Current Tax	492	536	968	1299	2117
Deferred Tax	269	169	487	251	363
Short Provision of Tax of Earlier Years	-	-	-	-	40
	761	705	1455	1550	2520
Profit after Tax and before Exceptional Item	2124	2000	4436	4089	6577
Prior Period Adjustment	-	(4)	-	(4)	(4)
Exceptional Items (net) [5 (b)]	-	(156)	-	(156)	(156)
Net Profit for the Period	2124	1840	4436	3929	6417
Paid-up Equity Share Capital [Face Value Rs.10]	2116	2110	2116	2110	2116
Reserves excluding revaluation reserves	-	-	-	-	28603
Basic & Diluted EPS for the period	10.04	8.70	20.97	18.57	30.33
Basic & Diluted EPS for the period on Profit after Tax and before Exceptional Items	10.04	9.45	20.97	19.32	31.09
Non-Promoter shareholding					
Number of shares	5486958	5486958	5486958	5486958	5486958
Percentage of shareholding	25.93%	25.93%	25.93%	25.93%	25.93%

NOTES:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 30-Oct-04. There is no qualification in the Auditors Report on this statement of financial results.
- 2
 - a Inter unit transfers of manufactured bulk drugs Rs. 332 lacs for the comparative quarter and Rs. 717 lacs for the comparative half year (Rs. 1751 lacs for the previous year) have been excluded from the sales and material costs of those periods.
 - b The figures for the comparative periods have been regrouped to render them comparable with the figures for the current period.
- 3 With effect from 1-Jul-04, the cost of inventories of raw material, packing material and finished goods (traded) are determined on the moving average price basis. Hitherto, these were determined on FIFO basis. However, there is no material impact on the financial results for the current quarter and half year, consequent to the change in cost formula for the valuation of inventories of raw material, packing material and finished goods (traded). Except for this change, the statement of financial results has been prepared by applying the same accounting policies as were applied in the most recent annual financial statements for the year 2003-04.
- 4 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	Quarter Ended			Half Year Ended			Rs. lacs
	30-Sep-04	30-Sep-03	Growth (%)	30-Sep-04	30-Sep-03	Growth (%)	Year Ended 31-Mar-04
Domestic Formulations	9387	8760	7%	19300	17810	8%	33217
Exports	1844	1007	83%	3527	2018	75%	5171
Consolidated Exports*	3052	1332	129%	5732	2586	122%	6978
Contract Manufacture	2612	2771	(6%)	4390	5203	(16%)	9183
Others	10	20	-	24	119	-	159
Total Sales	13853	12558	10%	27241	25150	8%	47730
Consolidated Sales*	15061	12883	17%	29446	25718	14%	49537
Total Net Sales	12676	11304	12%	24742	22608	9%	42988
Consolidated Net Sales*	13717	11569	19%	26648	23078	15%	44500

* Indicates sales of the Company and its subsidiaries consolidated as per Accounting Standard 21 Consolidated Financial Statements. These figures are not audited for the current quarter and half year and comparative quarter and half year.

- 5
 - a Other Operating Income for the current quarter and half year includes Rs. 1389 lacs (USD 3 million) License income pursuant to the Licence Agreement entered with Novartis Pharma AG, a leading international pharma company based at Switzerland, granting it global rights of patented AGE (Advanced Glycosylation Endproducts) Breaker compound. The agreement also envisages a long term arrangement involving subsequent milestone payments as the molecule passes through various phases of clinical development, regulatory approvals and ultimate commercialization. The Company would also be entitled to royalties linked with global sales.

Further, Other Operating Income for the comparative quarter and half year includes Rs.99 lacs compensation arising on termination of certain agreements with a party prior to the contractual term, based on mutual consent.
 - b During the comparative quarter and half year, based on a review of the quality of the long term investment, full provision for carrying cost of Rs.156 lacs has been made for permanent diminution in value of equity shares of Charterhouse Therapeutics Limited, UK. The provision has been disclosed as Exceptional item.

- 6 During the quarter under consideration, the Company had borrowed secured long term loan of Rs. 3750 lacs from the bank for its upcoming formulation manufacturing facility at Baddi, Himachal Pradesh and expansion of the existing Bulk Drug manufacturing facility at Indrad, Gujarat.
- 7 a Torrent Pharma Philippines Inc, a wholly owned subsidiary (WOS) was incorporated in Philippines, on 22-Jul-04 with the initial investments of Rs. 92 lacs.
- b The Company has sold TPL Finance Ltd, subsidiary in India, on 1-Sep-04 at the net sales consideration of Rs. 26 lacs. The Company had made investments of Rs. 20 lacs in it. This has resulted into Profit on sale of investments of Rs. 6 lacs which is included in Other Income.
- 8 Information relating to investor complaints as required by clause 41 of listing agreement for the quarter ended 30-Sep-04 is as follows:
- | | |
|--|-----|
| Un-disposed complaints as of 1-Jul-04..... | Nil |
| Complaints received during the quarter..... | 12 |
| Complaints disposed of during the quarter..... | 12 |
| Un-disposed complaints as of 30-Sep-04 | Nil |

For TORRENT PHARMACEUTICALS LIMITED

Place Ahmedabad
Date 30-Oct-04

Sd/-
SAMIR MEHTA
Managing Director

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