

# TORRENT PHARMACEUTICALS LIMITED

## CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR 2007-08

[Rs. in Lacs except per share data]

PARTICULARS	UNAUDITED		AUDITED	
	QUARTER ENDED		YEAR ENDED	
	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07
Sales (see note 3)	31954	33659	133631	129158
Less: Excise and similar duties collected	619	557	2401	2825
Net Sales	31335	33102	131230	126333
Other Operating Income	1240	1020	4255	3545
Other Income	296	70	474	237
<b>Total Income</b>	<b>32871</b>	<b>34192</b>	<b>135959</b>	<b>130115</b>
<b>Expenditure</b>				
(Increase)/ Decrease in Stock in Trade	2247	215	2948	(4089)
Consumption of Raw/Packing Material	7167	6907	29085	27407
Purchase of Traded Goods	2529	4460	15380	21532
Employees Cost	5092	6170	23250	24884
Research and Development Expenses	2623	2561	9716	7701
Depreciation and Amortization	1190	881	3883	3287
Other Expenditure	7765	9349	34823	36870
<b>Total Expenditure</b>	<b>28613</b>	<b>30543</b>	<b>119085</b>	<b>117592</b>
Net Borrowing Costs	524	392	1964	1620
<b>Profit from Ordinary Activities before tax</b>	<b>3734</b>	<b>3257</b>	<b>14910</b>	<b>10903</b>
Tax Expense (see note 6)	(709)	379	1442	1552
<b>Net Profit from Ordinary Activities after tax</b>	<b>4443</b>	<b>2878</b>	<b>13468</b>	<b>9351</b>
Paid-up Equity Share Capital [Face Value Rs.5]	4231	4231	4231	4231
Reserves excluding Revaluation Reserves	-	-	46725	36794
Basic and Diluted EPS for the period	5.25	3.40	15.92	11.05
Public shareholding				
Number of shares	-	-	21922832	21919832
Percentage of shareholding	-	-	25.91%	25.91%

**Notes to Consolidated Audited Results :**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 06-May-08. There is no qualification in the Auditors Report on this statement of financial results.
- 2 The statement of financial results consolidate the financial results of nine wholly owned subsidiaries with that of the Company.
- 3 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-08	31-Mar-07	Growth %	31-Mar-08	31-Mar-07	Growth %
<b>(A) Sales in India</b>						
Branded Business	11893	11925	-	58732	55665	6%
Contract Manufacture	3409	2919	17%	14902	11850	26%
Others	80	18	-	324	168	-
<b>Total Sales in India</b>	<b>15382</b>	<b>14862</b>	<b>3%</b>	<b>73958</b>	<b>67683</b>	<b>9%</b>
<b>(B) Sales outside India</b>	<b>16572</b>	<b>18797</b>	<b>(12%)</b>	<b>59673</b>	<b>61475</b>	<b>(3%)</b>
<b>Total Sales (A+B)</b>	<b>31954</b>	<b>33659</b>	<b>(5%)</b>	<b>133631</b>	<b>129158</b>	<b>3%</b>
Less : Excise and similar duties	619	557	-	2401	2825	-
<b>Net Sales</b>	<b>31335</b>	<b>33102</b>	<b>(5%)</b>	<b>131230</b>	<b>126333</b>	<b>4%</b>

- 4 The Company classifies its foreign operations considering the way in which they are financed and operate in relation to the Company. On a review of the status of the Company's foreign operations in accordance thereto, effective from 01-Apr-07, the classification of all foreign subsidiaries has been changed from "Integral Foreign Operation" to "Non-Integral Foreign Operation". The profit after tax of each of the reporting quarter of the current year and the previous year would have been as under, had the change been effected in those periods.

Rs in lacs

Particulars	2007-08			2006-07	
	Quarter Ended			Quarter Ended	Year Ended
	30-Jun-07	30-Sep-07	31-Dec-07	31-Mar-07	31-Mar-07
Reported Profit after tax	2678	2620	3727	2878	9351
Restated Profit after tax	2358	2833	3869	2862	9588

The Shareholders' Funds as at 31-Mar-08 is lower by Rs. 72 lacs due to the change in classification of all foreign subsidiaries from "integral foreign operation" to "non-integral foreign operation" wef 1-Apr-07.

- 5 Derivative contracts to which Accounting Standard 11 [AS 11], The Effects of Changes in Foreign Exchange Rate is applicable, are recognised and measured as required by AS 11. Exchange differences on such contracts are recognised in the profit and loss account in the period in which the exchange rates change. From the current quarter, remaining derivatives contracts are marked-to-market at the reporting date and resulting loss, if any, is recognised in the profit and loss account in terms of Announcement on Accounting of Derivatives by Institute of Chartered Accountants of India dated 29-Mar-08. For the current quarter there is no marked-to-market loss charged to the profit and loss account.
- 6 The Minimum Alternate Tax ["MAT"] liability in excess of liability for income-tax under the normal tax regime is available for set-off during next 7 years against the income-tax under normal tax regime for those years. Company has reviewed the treatment of MAT paid for the year as per Guidance note on accounting for credit available in respect of minimum alternate tax under the Income Tax Act 1961, issued by the Institute of Chartered Accountants of India. The Company is of the view that the MAT paid for the year amounting to Rs 1699 lacs (Rs.1596 lacs pertaining to previous 3 quarters of the current year and charged to the profit and loss account of those quarters, now reversed), will be realised by way of set-off during the specified period. Accordingly MAT Credit Entitlement asset of Rs 1699 lacs, being the MAT in excess of tax under normal tax regime for the year, is recognised during the quarter.
- 7 The Board of Directors have proposed equity dividend of Rs 3.50 ( previous year Rs 3 ) per equity shares of Rs 5 each. The aggregate amount of equity dividend proposed to be distributed is Rs 3465 lacs ( previous year Rs 2894 lacs) including tax on distributed profits of Rs 503 lacs (previous year Rs 356 lacs).
- 8 During the quarter, 4 investor complaints were received and resolved. No complaints were pending either at the beginning or at the end of the quarter.
- 9 The standalone audited financial results for the quarter and year are available on the Company's website at [www.torrentpharma.com](http://www.torrentpharma.com).

**For TORRENT PHARMACEUTICALS LIMITED**

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Place : Ahmedabad  
Date : 06-May-08

**SUDHIR MEHTA**  
Chairman

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