

TORRENT PHARMACEUTICALS LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31ST DECEMBER, 2004

[Rs. in lacs except per share data]

PARTICULARS	THREE MONTHS ENDED ON		NINE MONTHS ENDED ON		ACCOUNTING YEAR ENDED ON
	31-12-2004	31-12-2003	31-12-2004	31-12-2003	31-03-2004
Sales (net of Sales Tax collected) [see note 2 (a)]	13445	11656	40686	36807	47730
Less: Excise Duty collected	1084	1165	3583	3707	4742
Net Sales	12361	10491	37103	33100	42988
Other Operating Income [5 (a)]	189	301	2210	1055	1319
Net Sales & Income from Operations	12550	10792	39313	34155	44307
Expenditure					
(Increase)/Decrease in Stock in Trade	70	(457)	(349)	(754)	(1043)
Consumption of Raw/Packing Material and Purchase of Traded Goods [see note 2 (a) & 3]	5167	4279	14619	13652	17706
Staff Cost	1635	987	4596	2925	4074
Manufacturing & Other Expenses	1806	1443	4648	3943	5472
Selling Expenses	1681	1337	4700	3607	4873
Research & Development Expenses	1333	752	3614	2023	2948
Total Expenditure	11692	8341	31828	25396	34030
Operating Profit before Interest, Depreciation & Amortization and Tax	858	2451	7485	8759	10277
Net Interest expense/(income)	88	(8)	117	(36)	(24)
Depreciation & Amortization	472	422	1322	1241	1569
Operating Profit before Tax	298	2037	6046	7554	8732
Other Income	115	97	258	219	365
Profit before Tax and Exceptional Items	413	2134	6304	7773	9097
Provision for Taxation					
Current Tax	(250)	540	718	1838	2117
Deferred Tax	137	60	624	312	363
Short Provision of Tax of Earlier Years	-	26	-	26	40
	(113)	626	1342	2176	2520
Profit after Tax and before Exceptional Item	526	1508	4962	5597	6577
Prior Period Adjustment	-	-	-	(4)	(4)
Exceptional Items (net) [5 (b)]	-	-	-	(156)	(156)
Net Profit for the Period	526	1508	4962	5437	6417
Paid-up Equity Share Capital [Face Value Rs.10]	2116	2111	2116	2111	2116
Reserves excluding revaluation reserves	-	-	-	-	28603
Basic & Diluted EPS for the period	2.49	7.13	23.45	25.70	30.33
Basic & Diluted EPS for the period on Profit after Tax and before Exceptional Items	2.49	7.13	23.45	26.45	31.09
Non-Promoter shareholding					
Number of shares	5487058	5486958	5487058	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 21-Jan-05. There is no qualification in the Auditors Report on this statement of financial results.
- 2
 - a Inter unit transfers of manufactured bulk drugs Rs. 515 lacs for the comparative quarter and Rs. 1232 lacs for the comparative nine months (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 nine months, 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			Nine Months Ended			Rs. lacs
	31-Dec-04	31-Dec-03	Growth (%)	31-Dec-04	31-Dec-03	Growth (%)	Year Ended 31-Mar-04
Domestic Formulations	8781	8200	7%	28081	26010	8%	33217
Exports	1860	1434	30%	5387	3452	56%	5171
Consolidated Exports*	3377	2041	66%	9109	4627	97%	6978
Contract Manufacture	2741	2011	36%	7131	7214	(1%)	9183
Others	63	11	-	87	131	-	159
Total Sales	13445	11656	15%	40686	36807	11%	47730
Consolidated Sales*	14962	12263	22%	44408	37982	17%	49537
Total Net Sales	12361	10491	18%	37103	33100	12%	42988
Consolidated Net Sales*	13680	11010	24%	40329	34089	18%	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 nine months and comparative quarter and nine months.

- 5
 - a Other Operating Income for the current nine months 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 nine months 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 nine months, 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 The Company had borrowed secured long term loan of Rs. 11250 lacs from the banks mainly for its upcoming formulation manufacturing facility at Baddi, Himachal Pradesh, expansion of the existing Bulk Drug manufacturing facility at Indrad, Gujarat, expansion of R & D facility at its existing Research Centre, Bhat, Gujarat.
- 7 Information relating to investor complaints as required by clause 41 of listing agreement for the quarter ended 31-Dec-04 is as follows:
- | | |
|---|-----|
| Un-disposed complaints as of 1-Oct-04..... | Nil |
| Complaints received during the quarter..... | 08 |
| Complaints disposed of during the quarter | 08 |
| Un-disposed complaints as of 31-Dec-04 | Nil |

For TORRENT PHARMACEUTICALS LIMITED

Place Ahmedabad
Date 21-Jan-05

Sd/-
SAMIR MEHTA
Managing Director

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