

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
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## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TORRENT PHARMACEUTICALS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **TORRENT PHARMACEUTICALS LIMITED** ("the Company") for the Quarter and Nine Months Ended 31<sup>st</sup> December, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement has been prepared on the basis of the related interim financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim financial statements, which has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting notified under the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
  - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the Quarter and Nine Months Ended 31<sup>st</sup> December, 2013.

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4. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended 31<sup>st</sup> December, 2013 of the Statement, from the details furnished by the Management.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117365W)



(Hemendra L. Shah)  
Partner  
(Membership No. 33590)

Place: Ahmedabad,  
Date: 21<sup>st</sup> January, 2014



## TORRENT PHARMACEUTICALS LIMITED

PART I						
Statement of Standalone Audited Results for the Quarter and Nine Months Ended 31-Dec-2013						
Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012	31-Mar-2013
<b>Income from operations</b>						
Net sales (Net of excise duty) (see note 2)	709	757	633	2284	1915	2618
Other operating income	24	36	26	127	82	149
<b>Net Income from operations</b>	<b>733</b>	<b>793</b>	<b>659</b>	<b>2411</b>	<b>1997</b>	<b>2767</b>
<b>Expenses</b>						
Cost of materials consumed	228	214	212	654	573	797
Purchases of stock-in-trade	25	22	20	67	270	293
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(20)	16	14	35	(86)	(110)
Employee benefits expense	105	108	92	317	268	366
Depreciation and amortisation expense	20	20	19	59	52	72
Other expenses	223	171	192	617	542	742
<b>Total expenses</b>	<b>581</b>	<b>551</b>	<b>549</b>	<b>1749</b>	<b>1619</b>	<b>2160</b>
<b>Profit from operations before other income, finance costs and exceptional items</b>	<b>152</b>	<b>242</b>	<b>110</b>	<b>662</b>	<b>378</b>	<b>607</b>
Other income	10	3	1	27	117	132
<b>Profit from ordinary activities before finance costs and exceptional items</b>	<b>162</b>	<b>245</b>	<b>111</b>	<b>689</b>	<b>495</b>	<b>739</b>
Finance costs	16	15	7	39	27	37
<b>Profit from ordinary activities after finance costs but before exceptional items</b>	<b>146</b>	<b>230</b>	<b>104</b>	<b>650</b>	<b>468</b>	<b>702</b>
Exceptional items	-	-	-	-	-	37
<b>Profit from ordinary activities before tax</b>	<b>146</b>	<b>230</b>	<b>104</b>	<b>650</b>	<b>468</b>	<b>665</b>
Tax expense	32	48	20	140	75	119
<b>Net profit for the period</b>	<b>114</b>	<b>182</b>	<b>84</b>	<b>510</b>	<b>393</b>	<b>546</b>
Paid-up equity share capital (Face value of Rs.5 each) (see note 3)	85	85	42	85	42	42
Reserves excluding revaluation reserves	-	-	-	-	-	1609
<b>Earnings per share (of Rs. 5/- each) (not annualised): (see note 3)</b>						
Basic	6.74	10.78	4.95	30.16	23.25	32.29
Diluted	6.74	10.78	4.95	30.16	23.25	32.29

PART II						
Select Information for the Quarter and Nine Months Ended 31-Dec-2013						
PARTICULARS OF SHAREHOLDING	Quarter ended			Nine months ended		Year ended
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012	31-Mar-2013
Public shareholding						
- Number of shares	48216000	48216000	24109500	48216000	24109500	24108000
- Percentage of shareholding	28.49%	28.49%	28.49%	28.49%	28.49%	28.49%
Promoters and Promoter group Shareholding						
(a) Pledged/Encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
(b) Non-encumbered						
- Number of shares	121006720	121006720	60501860	121006720	60501860	60503360
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	71.51%	71.51%	71.51%	71.51%	71.51%	71.51%
<b>INVESTOR COMPLAINTS</b>	<b>Quarter ended</b>					
	<b>31-Dec-2013</b>					
Pending at the beginning of the quarter	Nil					
Received during the quarter	1					
Disposed of during the quarter	1					
Remaining unresolved at the end of the quarter	Nil					

**Notes:**

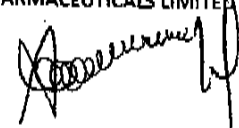
- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 21-Jan-2014. There is no qualification in the Auditors Report on this statement of financial results.
- The Company operates a solitary business segment viz. pharmaceuticals, comprising mainly manufacture of branded formulations. A further breakdown of pharmaceutical sales is given below.

Particulars	Quarter ended			Nine months ended			Year ended
	31-Dec-2013	31-Dec-2012	Growth %	31-Dec-2013	31-Dec-2012	Growth %	31-Mar-2013
(A) Sales in India							
Branded sales	300	260	15%	918	815	13%	1035
Contract manufacture	70	59	19%	201	163	23%	231
Others	2	2	-	5	8	-	12
<b>Total sales in India</b>	<b>372</b>	<b>321</b>	<b>16%</b>	<b>1124</b>	<b>986</b>	<b>14%</b>	<b>1278</b>
(B) Sales outside India	339	314	8%	1166	935	25%	1347
<b>Total sales (A+B)</b>	<b>711</b>	<b>635</b>	<b>12%</b>	<b>2290</b>	<b>1921</b>	<b>19%</b>	<b>2625</b>
Less: Excise duty	2	2	-	6	6	-	7
<b>Net sales</b>	<b>709</b>	<b>633</b>	<b>12%</b>	<b>2284</b>	<b>1915</b>	<b>19%</b>	<b>2618</b>

- The earnings per share has been restated for comparative periods consequent to issue of bonus shares on 25-Jul-2013.
- The Company has entered into a definitive binding agreement, on 13-Dec-2013, with Elder Pharmaceuticals Limited to acquire its Identified Branded Formulations Business in India and Nepal on a going concern basis for a consideration of Rs. 2004 crores. Both the parties are in the process of taking applicable regulatory approvals and satisfying with various Conditions Precedent.
- The Board of Directors in their meeting held on 21-Jan-2014, declared an interim equity dividend of Rs. 5.00 per equity share of Rs. 5.00 each fully paid up for the year 2013-14. The aggregate amount of interim equity dividend proposed to be distributed is Rs. 99 crores including tax on distributed profits of Rs. 14 crores.
- The figures for the comparative periods have been regrouped, wherever necessary, to make them comparable with the figures for the current periods.

- 7 The Company has also prepared and published unaudited consolidated financial results for the quarter and nine months ended 31-Dec-2013, which were subjected to limited review by statutory auditors of the Company.

For TORRENT PHARMACEUTICALS LIMITED



SAMIR MEHTA  
Executive Vice Chairman

Place : Ahmedabad, Gujarat

Date : 21-Jan-2014

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## INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF TORRENT PHARMACEUTICALS LIMITED

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of **TORRENT PHARMACEUTICALS LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") for the Quarter and Nine Months Ended 31<sup>st</sup> December, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following subsidiaries:  
  
(1) Zao Torrent Pharma, (2) Torrent Pharma GmbH, (3) Heumann Pharma GmbH & Co. Generica KG, (4) Torrent Do Brasil Ltda, (5) Torrent Pharma Philippines Inc., (6) Torrent Pharma Inc., (7) Laboratories Torrent S.A. de C.V., (8) Torrent Australasia Pty Ltd., (9) Heunet Pharma GmbH, (10) Norispharm GmbH, (11) Torrent Pharma Canada Inc., (12) Torrent Pharma (Thailand) Co., Limited. (13) Torrent Pharma S.R.L., (14) Torrent Pharma (UK) Limited, (15) Torrent Pharmaceuticals (Sikkim), (16) Laboratories Torrent (Malaysia) Sdn. Bhd and (17) Opening Pharma France S.A.S.
4. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended 31<sup>st</sup> December, 2013 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117365W)



(Hemendra L. Shah)  
Partner  
Membership No. 33590

Place: Ahmedabad  
Date: 21<sup>st</sup> January, 2014



## TORRENT PHARMACEUTICALS LIMITED

PART I						
Statement of Consolidated Results for the Quarter and Nine Months Ended on 31-Dec-2013						
Particulars	Quarter ended (Unaudited)			Nine months ended (Unaudited)		Year ended (Audited)
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012	31-Mar-2013
<b>Income from operations</b>						
Net sales (Net of excise duty) (see note 3)	990	936	768	2829	2251	3054
Other operating income	25	36	29	130	90	153
<b>Net Income from operations</b>	<b>1015</b>	<b>972</b>	<b>797</b>	<b>2,959</b>	<b>2341</b>	<b>3212</b>
<b>Expenses</b>						
Cost of materials consumed	228	214	212	655	627	843
Purchases of stock-in-trade	86	102	74	305	213	253
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4	(15)	(40)	(37)	(157)	(214)
Employee benefits expense	179	182	152	533	459	623
Depreciation and amortisation expense	21	22	21	64	61	83
Other expenses	303	310	237	901	726	970
<b>Total expenses</b>	<b>821</b>	<b>815</b>	<b>656</b>	<b>2,421</b>	<b>1929</b>	<b>2602</b>
<b>Profit from operations before other income, finance costs and exceptional items</b>	<b>194</b>	<b>157</b>	<b>141</b>	<b>538</b>	<b>412</b>	<b>610</b>
Other income	10	10	9	28	35	43
<b>Profit from ordinary activities before finance costs and exceptional items</b>	<b>204</b>	<b>167</b>	<b>150</b>	<b>566</b>	<b>447</b>	<b>653</b>
Finance costs	16	15	7	39	24	34
<b>Profit from ordinary activities after finance costs but before exceptional items</b>	<b>188</b>	<b>152</b>	<b>143</b>	<b>527</b>	<b>423</b>	<b>619</b>
Exceptional item	-	-	-	-	-	37
<b>Profit from ordinary activities before tax</b>	<b>188</b>	<b>152</b>	<b>143</b>	<b>527</b>	<b>423</b>	<b>582</b>
Tax expense	30	39	31	107	99	147
<b>Net Profit for the period</b>	<b>158</b>	<b>113</b>	<b>112</b>	<b>420</b>	<b>324</b>	<b>435</b>
Minority interest	0	0	0	0	2	2
<b>Net Profit after taxes and minority interest</b>	<b>158</b>	<b>113</b>	<b>112</b>	<b>420</b>	<b>322</b>	<b>433</b>
Paid-up equity share capital (Face value of Rs. 5 each) (see note 4)	85	85	42	85	42	42
Reserves excluding Revaluation Reserves	-	-	-	-	-	1380
<b>Earnings per share (of Rs. 5/- each) (not annualised): (see note 4)</b>						
Basic	9.34	6.64	6.63	24.79	18.99	25.58
Diluted	9.34	6.64	6.63	24.79	18.99	25.58

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PART II						
Select information for the Quarter and Nine Months Ended 31-Dec-2013						
PARTICULARS OF SHAREHOLDING	Quarter ended			Nine months ended		Year ended
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012	31-Mar-2013
Public shareholding						
- Number of shares	48216000	48216000	24109500	48216000	24109500	24108000
- Percentage of shareholding	28.49%	28.49%	28.49%	28.49%	28.49%	28.49%
Promoters and Promoter Group Shareholding						
(a) Pledged / Encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
(b) Non - encumbered						
- Number of shares	121006720	121006720	60501860	121006720	60501860	60503360
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	71.51%	71.51%	71.51%	71.51%	71.51%	71.51%
INVESTOR COMPLAINTS	Quarter ended					
	31-Dec-2013					
Pending at the beginning of the quarter	Nil					
Received during the quarter	1					
Disposed of during the quarter	1					
Remaining unresolved at the end of the quarter	Nil					

## Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on 21-Jan-2014. The statutory auditors have carried out limited review of the results for the quarter and nine months ended 31-Dec-2013. There is no adverse observation in the limited review report on this statement of financial results.
- The statement of financial results consolidate the financial results of sixteen wholly owned subsidiaries and one partnership firm with that of the Company.
- The Company operates a solitary business segment viz. pharmaceuticals, comprising mainly manufacture of branded formulations. A further breakdown of pharmaceutical sales is given below.

Particulars	(Rs. In Crores)						
	Quarter ended (Unaudited)			Nine months ended (Unaudited)			Year ended (Audited)
	31-Dec-2013	31-Dec-2012	Growth %	31-Dec-2013	31-Dec-2012	Growth %	31-Mar-2013
(A) Sales in India							
Branded sales	300	260	15%	918	815	13%	1035
Contract manufacture	70	59	19%	201	163	23%	231
Others	1	2	-	5	6	-	10
Total sales in India	371	321	16%	1124	984	14%	1276
(B) Sales outside India	621	449	38%	1711	1273	34%	1785
Total sales (A+B)	992	770	29%	2835	2257	26%	3061
Less: Excise duty	2	2	-	6	6	-	7
Net sales	990	768	29%	2829	2251	26%	3054

- The earnings per share has been restated for comparative periods consequent to issue of bonus shares on 25-Jul-2013.
- The Company has entered into a definitive binding agreement, on 13-Dec-2013, with Elder Pharmaceuticals Limited to acquire its Identified Branded Formulations Business in India and Nepal on a going concern basis for a consideration of Rs. 2004 crores. Both the parties are in the process of taking applicable regulatory approvals and satisfying with various Conditions Precedent.
- The Board of Directors in their meeting held on 21-Jan-2014, declared an interim equity dividend of Rs. 5.00 per equity share of Rs. 5.00 each fully paid up for the year 2013-14. The aggregate amount of interim equity dividend proposed to be distributed is Rs. 99 crores including tax on distributed profits of Rs. 14 crores.

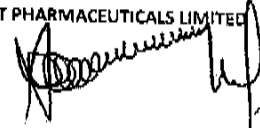
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## 7 Summary details of stand-alone audited financial results of Torrent Pharmaceuticals Limited :

Particulars	Quarter ended			Nine months ended		(Rs. in Crores)
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012	Year ended 31-Mar-2013
Net income from operations	733	793	659	2411	1997	2767
Profit before tax	146	230	104	650	468	665
Profit after tax	114	182	84	510	393	546

- 8 The figures for the comparative periods have been regrouped, wherever necessary, to make them comparable with the figures for the current periods.
- 9 The stand-alone audited financial results for the quarter and nine months ended 31-Dec-2013 are available on the Company's website at [www.torrentpharma.com](http://www.torrentpharma.com).

For TORRENT PHARMACEUTICALS LIMITED


SAMIR MEHTA  
Executive Vice ChairmanPlace : Ahmedabad, Gujarat  
Date : 21-Jan-2014.... Visit us at [www.torrentpharma.com](http://www.torrentpharma.com)....



## PRESS RELEASE

### Torrent Pharma records 27% growth in Revenues during Q3 13-14

Ahmedabad-based Pharmaceuticals major, Torrent Pharmaceuticals Limited, today released its financial results for the quarter ended 31-Dec-13. The Q3'13-14 revenues stood at ₹ 1015 crores, up by 27% from ₹ 797 crores in the comparable quarter of last year. Company declared an interim dividend of 100%.

During Q3, domestic formulation business recorded revenues of ₹ 297 crores, growing by 15%. As per AIOCD Torrent grew at 12% during the quarter compared to covered market growth of 5% and Indian Pharmaceutical growth of 5%.

International revenues grew by 41% to ₹ 637 crores. In the international operations, US business reported growth of 61%, Europe (incl. Heumann) 59%, Brazil growth 26% and Rest of the World, including Russia, CIS, Mexico & Canada 9%.

Profit before Taxes for the quarter was ₹ 188 crores compared to ₹ 143 crores during the same period last year. Profit after Taxes for the quarter was ₹ 158 crores compared to ₹ 112 crores during the same period last year.

For YTD December 2013, the revenues increased by 26% to ₹ 2,959 crores compared with ₹ 2,341 crores for the corresponding period last year. Profit before Taxes grew by 25% to ₹ 527 crores compared to ₹ 423 crores during the same period last year.

During the quarter company acquired Indian Branded Formulations Business of Elder for a consideration of ₹ 2004 cores. The transaction is subject to conditions precedent including shareholder approval and applicable regulatory approvals and is expected to close in the first half of 2014.

**About Torrent Pharma:** Torrent Pharma, with an annual turnover of over ₹ 3200 crores is the flagship Company of the Torrent Group. With many of its products ranking among the top 200 brands, Torrent continues to be at the forefront of the Indian pharmaceutical industry. Torrent has a full equipped Research Center, employing almost 600 scientists, to support the Companies operations and product pipeline for both Domestic and Overseas markets. The Companies manufacturing plants located at Indrad, Baddi & Sikkim have facilities to produce Formulations and Bulk drugs. The plants are approved by authorities from various regulated and semi regulated markets like US, UK, Brazil, Germany, Australia and South Africa.

