

ENSURES OUR LONGEVITY

INTEGRITY

PASSION FOR EXCELLENCE

PARTICIPATIVE DECISION-MAKING

CONCERN FOR SOCIETY & ENVIRONMENT

FAIRNESS WITH CARE

TRANSPARENCY

40TH ANNUAL REPORT



TORRENT PHARMACEUTICALS LIMITED

ENSURES OUR LONGEVITY

Torrent as a Group has many decades of existence, though some of its units have greater or fewer. Some of these units have grown organically; while some have been acquired.

The Journey of Torrent...

It all began with the toil of one enterprising individual, Shri U N Mehta, when he ventured on his own to create history in the Indian pharmaceutical industry by implementing successfully the concept of niche marketing. Today's Torrent Pharma, which has evolved from such an extra-ordinary effort, has grown from a one-man enterprise to a group enterprise; from a one-location company to a multi-location company; from a single-product company to a multi-product company and from being so local to being so global.

And for that matter, Torrent Power too has seen itself transitioning from only a cable manufacturer to an integrated power utility; from a bureaucratically managed company to a professionally managed enterprise; from having a single generating station to state-of-the-art generating stations; from huge distribution losses to the lowest distribution losses in the country; from a successful regulated distribution licensee to a successful distribution franchisee as well and from single-state operations to multi-state operations.

Torrent's units have evolved over different time periods to various states of existence and are slowly but surely on the path towards a Sustainable Torrent. Over the years, these units have displayed a powerful drive for growth and advancement while endeavouring to root in the pillar-like well-founded principles in Torrent that are critical and enduring; that are essential and rock solid; and that remain unaffected by changing circumstances.

These strong pillars, the Core Values, which Torrent believes in and constantly strives to build, are: Integrity, Passion for Excellence, Participative Decision-Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these Timeless Values, a Pillar of Strength, ENSURES OUR LONGEVITY.



INTEGRITY

When truth is paramount

Thoughts and actions entail doing the right thing at all times and in all circumstances; whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honouring one's commitments and being accountable for one's actions, end-to-end.

PASSION FOR EXCELLENCE

When best is not enough

Passion for excellence means not doing extra-ordinary things, but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.

PARTICIPATIVE DECISION MAKING

Involvement that engenders effectiveness

An ideal organisation facilitates participation and involvement of each of its members in various decision making processes, thus ensuring their commitment to such decisions as well as its outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.

CONCERN FOR SOCIETY & ENVIRONMENT

When every smile matters

Concern for Society & Environment is a sense of responsibility and contribution to society that defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow-members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna and rich in time tested values and ideals and above all rich in social fervour for our future generations.

FAIRNESS WITH CARE

Harnessing equality

Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day to day fabric, ensures fairness for each and every individual. Empathic care recognises needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.

TRANSPARENCY

Openness that builds enduring trust

Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

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CORPORATE INFORMATION

DIRECTORS

1. Shri Sudhir Mehta
Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava
4. Dr. Prasanna Chandra
5. Shri Shailesh Haribhakti
6. Shri Haigreve Khaitan
7. Shri Sanjay Lalbhai
8. Dr. Leena Srivastava
9. Shri Samir Mehta
Executive Vice Chairman
10. Dr. Chaitanya Dutt
Director (Research & Development)

AUDIT COMMITTEE

1. Shri Shailesh Haribhakti
Chairman
2. Shri Pradeep Bhargava
3. Dr. Prasanna Chandra
4. Shri Haigreve Khaitan
5. Dr. Leena Srivastava

SECURITIES TRANSFER &

INVESTORS' GRIEVANCE COMMITTEE

1. Shri Sudhir Mehta
Chairman
2. Shri Markand Bhatt
3. Shri Samir Mehta

NOMINATION AND

REMUNERATION COMMITTEE

1. Shri Shailesh Haribhakti
Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava
4. Dr. Prasanna Chandra

COMMITTEE OF DIRECTORS

1. Shri Markand Bhatt
Chairman
2. Shri Samir Mehta

VP (FINANCE) & CHIEF FINANCIAL OFFICER

R. Srinivasan

VP (LEGAL) & COMPANY SECRETARY

Mahesh Agrawal

AUDITORS

Deloitte Haskins & Sells, Ahmedabad
Chartered Accountants

REGISTERED OFFICE

Torrent House,
Off Ashram Road,
Ahmedabad – 380 009
Gujarat
Telephone: 079 – 26585090
Fax: 079 – 26582100

MANUFACTURING FACILITIES

1. Village Indrad, Taluka Kadi,
Dist. Mehsana (Gujarat)
2. Village Bhud,
Baddi, Teh. Nalagarh,
Dist. Solan (Himachal Pradesh)
3. 32 No. Middle Camp, NH – 31 A,
East District, Gangtok (Sikkim)

DAHEJ PROJECT SITE

Plot No. Z104-106, Dahej SEZ Phase II,
Taluka Vagra, Dist. Bharuch (Gujarat)

RESEARCH & DEVELOPMENT FACILITY

Village Bhat, Dist. Gandhinagar (Gujarat)

WEBSITE

www.torrentpharma.com

REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited
Unit: Torrent Pharmaceuticals Limited
Plot No. 17 to 24,
Vittalrao Nagar, Madhapur,
Hyderabad – 500 081
Telephone: 040 – 44655000
Fax: 040 – 23420814
Email: einward.ris@karvy.com

INVESTOR SERVICES E – MAIL

investorservices@torrentpharma.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Friday, 26th July, 2013 at 09:30 AM at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.
2. To confirm the payment of interim dividend on equity shares for the financial year ended 31st March, 2013 and to declare final dividend on equity shares for the said financial year.

The Board of Directors at its meeting held on 29th January, 2013 declared normal annual dividend as interim dividend of ₹ 6.00 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31st March, 2013 and in its meeting held on 30th May, 2013 recommended an additional dividend of ₹ 7.00 per equity share of fully paid up face value of ₹ 5.00 each. Commemorating four decades of Company's business operations, Board also recommended a special dividend of ₹ 10.00 per equity share of fully paid up face value of ₹ 5.00 each. Total final dividend amounts to ₹ 17.00 per equity share (pre bonus) of fully paid up face value of ₹ 5.00 each for the said financial year.

3. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Dr. Prasanna Chandra, Director, who retires by rotation and has expressed his intention to retire and consequently not getting re-appointed.
4. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Shri Sanjay Lalbhai, Director, who retires by rotation and has expressed his intention to retire and consequently not getting re-appointed.
5. To appoint Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

MAKING SHRI SUDHIR MEHTA AS NON ROTATIONAL DIRECTOR

"RESOLVED THAT subject to the provisions of Sections 255 & 256 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and further subject to any statutory or other approval as may be required, Shri Sudhir Mehta, Non-Executive Chairman of the Company, shall not be liable to retire by rotation at any Annual General Meeting of the Company and his period of office shall not be liable to determination by retirement of directors by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPROVAL UNDER SECTION 293(1)(d) OF THE COMPANIES ACT, 1956 FOR INCREASE IN BORROWING LIMITS

"RESOLVED THAT in supercession of resolution passed at the Annual General Meeting of the Company held on 21st July, 2006 on the matter, and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporates, whether in India or

abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid-up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹ 3000 crores (Rupees Three Thousand Crores only) and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPROVAL UNDER SECTION 293(1)(a) OF THE COMPANIES ACT, 1956 FOR CREATION OF CHARGE ON COMPANY'S PROPERTIES

"RESOLVED THAT in supercession of resolution passed at the Annual General Meeting of the Company held on 21st July, 2006 on the matter and pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange and the Board be and is hereby authorized to decide all terms and conditions in relation to such creation of charge, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPOINTMENT OF SHRI PRADEEP BHARGAVA AS DIRECTOR

"RESOLVED THAT Shri Pradeep Bhargava, who was appointed as Additional Director under Section 260 of the Companies Act, 1956, by the Board of Directors on 26th October, 2012 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed with effect from the commencement of this meeting as Director of the Company, liable to retire by rotation."

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad – 380 009
Gujarat

Ahmedabad
30th May, 2013

By Order of the Board of Directors
For TORRENT PHARMACEUTICALS LIMITED

MAHESH AGRAWAL
VP (Legal) & Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 3 & 4 and Special Business i.e. Item Nos. 6, 7, 8 & 9 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its registered office not later than 48 hours before the commencement of the meeting.
4. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
6. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
7. As per SEBI Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, listed companies are required to use, either directly or through their RTA, any RBI approved electronic mode of payment like ECS, NECS, NEFT etc. for distribution of dividends or providing other cash benefits to the investors. Accordingly, the members, holding shares in physical form, are requested to update their address or provide / update their bank mandate (including details of MICR, IFSC etc.) with the Company or its Registrars & Transfer Agents (RTA), Karvy Computershare Private Limited and members holding shares in dematerialized form are requested to intimate any change in their address or to change / update bank mandate with their Depository Participants (DP) to enable the Company or RTA for making arrangements for electronics credit of dividend and other cash benefits to members.
8. The Company has decided to close the Register of Members and the Share Transfer Register for a period of three days from 12th June, 2013 to 14th June, 2013 (both days inclusive) for determining the name of members eligible for final dividend on equity shares, if declared at this meeting.

The final dividend on equity shares, if declared at the meeting, will be paid / dispatched on or around 30th July, 2013 to those members whose names appear on the Company's Register of Members or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 14th June, 2013.

9. Trading in the shares of the Company can be done in dematerialized form only. Dematerialisation would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
10. The members who have not encashed their Dividend Warrants for previous financial years are requested to send the same for revalidation to the Company's RTA.

Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the RTA.

During the year, the Company has requested those shareholders, whose dividends for previous financial years remaining unclaimed / unpaid, for claiming said dividend amount before transfer thereof to Investor Education and Protection Fund (IEPF).

Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the