

42nd
Annual Report 2014-15



The New
Destination of
Possibilities

DAHEJ

Its unique design,
in which flexibility and
scale are inbuilt,
can manage
**small to large batches,
greater complexity,
and ever-increasing
quality expectations.**





Spread across 70 acres at Dahej SEZ, Torrent Pharma's new manufacturing facility with a capacity of 14.5 billion tablets and 81 MT of API is set to redefine the manufacturing scale in the Indian pharmaceutical industry. Once fully commissioned, the facility would be one of the largest pharma manufacturing facilities in India at a single location. This would almost double Torrent's existing capacity.

This highly automated facility is equipped to deliver consistent quality in reduced cycle times. Its unique design, in which flexibility and scale are inbuilt, can manage small to large batches, greater

complexity, and ever-increasing quality expectations. Further, use of environmentally sound practices to conserve natural resources reflects Torrent's concern for society and environment; one of its core values.

This facility would mainly cater to the key regulated markets like US and Europe.

Located strategically at Dahej SEZ, District Bharuch, Gujarat, the facility has close proximity to the port & is also well connected to the National Highway (NH-8).

Dahej, in its true sense, is much more than just an SEZ for us; it's our New Destination of Possibilities.

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CORPORATE INFORMATION

DIRECTORS

1. Shri Sudhir Mehta
Chairman Emeritus
2. Shri Samir Mehta
Executive Chairman
3. Shri Markand Bhatt
4. Shri Shailesh Haribhakti
5. Shri Haigreve Khaitan
6. Shri Pradeep Bhargava
7. Smt. Bhavna Doshi
(Ceased to be Director w.e.f. 15th May, 2015)
8. Prof. Ashish Nanda
9. Dr. Chaitanya Dutt
Director (Research and Development)

AUDIT AND RISK MANAGEMENT COMMITTEE

1. Shri Shailesh Haribhakti
Chairman
2. Shri Haigreve Khaitan
3. Shri Pradeep Bhargava

SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

1. Prof. Ashish Nanda
Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava
4. Smt. Bhavna Doshi
(Ceased to be Member w.e.f. 15th May, 2015)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Shri Pradeep Bhargava
Chairman
2. Smt. Bhavna Doshi
(Ceased to be Member w.e.f. 15th May, 2015)
3. Dr. Chaitanya Dutt

COMMITTEE OF DIRECTORS

1. Shri Markand Bhatt
Chairman
2. Shri Samir Mehta

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Shri Ashok Modi

VP (LEGAL) & COMPANY SECRETARY

Shri Mahesh Agrawal

AUDITORS

Deloitte Haskins & Sells, Ahmedabad
Chartered Accountants

REGISTERED OFFICE

Torrent House,
Off Ashram Road,
Ahmedabad – 380 009,
Gujarat, India
Phone: + 91 79 26585090 / 26583060
Fax: + 91 79 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
Karvy Selenium Tower-B,
Plot No. 31 & 32, Financial District, Gachibowli,
Hyderabad – 500 008
Phone: + 91 40 67162222
Fax: + 91 40 23001153
Email Id: einward.ris@karvy.com

INVESTOR SERVICES EMAIL ID

investorservices@torrentpharma.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Monday, 27th July, 2015 at 09:30 AM at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, Gujarat, India, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as at 31st March, 2015 including the Audited Balance Sheet as at 31st March, 2015, 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 already paid during the financial year ended 31st March, 2015 and to declare final dividend on equity shares for the said financial year.

The Board of Directors at its meeting held on 28th January, 2015 had declared the normal annual dividend as interim dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31st March, 2015 and in its meeting held on 15th May, 2015 recommended a special dividend as final dividend of ₹ 6.25 per equity share of fully paid up face value of ₹ 5.00 each for the said financial year.

3. To appoint a Director in place of Shri Markand Bhatt (holding DIN 00061955), Director, who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2015-16

"RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Audit and Record) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the Act") and on the recommendation of the Audit and Risk Management Committee and approval by the Board of Directors at their meeting dated 15th May, 2015, the consent of the Company be and is hereby accorded for ratification of the below remuneration to M/s. Kirit Mehta & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16:

₹ 6,00,000/- plus out of pocket expenses & service tax as applicable to conduct the audit of the cost accounting records for all the manufacturing facilities of the Company."

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

RE-APPOINTMENT OF DR. CHAITANYA DUTT AS A WHOLE TIME DIRECTOR AND FIXATION OF REMUNERATION

"RESOLVED THAT in supersession of the ordinary resolution passed in the Annual General Meeting (AGM) held on 30th July, 2014 and pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to the provisions of Section 152(6) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and any other approval as may be required, the consent of the Company be and is hereby accorded for re-appointment of Dr. Chaitanya Dutt (holding DIN 00110312) as a Whole-time Director of the Company, to be designated as Director (Research & Development) with effect from 1st January, 2015 for a period of 3 (three) years on the following terms of remuneration:

1.	BASIC SALARY	:	a) ₹ 20,75,000 per month with effect from 1 st January, 2015. Salary shall be revised as under : b) ₹ 24,25,000 per month with effect from 1 st January, 2016. c) ₹ 28,00,000 per month with effect from 1 st January, 2017.	
2.	COMMISSION	:	In any situation of extraordinary nature, a landmark discovery and / or a significant development having a positive long term impact on the business and operations of the Company, he may be paid commission, not exceeding 0.5% of the profits of the company of the relevant year, subject to the provisions of the Companies Act, 2013. He would be eligible for this commission only once during his proposed term of 3 years. The actual amount shall be reviewed and recommended by the Nomination and Remuneration Committee and finally approved by the Board of Directors.	
3.	PERQUISITES	:	The appointee will be also allowed the perquisites as under:	
	A.		(i)	The Company shall pay House Rent Allowance @ 60% of the salary.
			(ii)	The Company shall reimburse annual fees for two clubs.
			(iii)	The Company shall pay the premium on personal accident insurance policy as per Company rules.
			(iv)	The Company shall pay the premium on medical insurance for self and family as per the Company rules.
	B.		(i)	The Company shall provide a car with driver for official and personal use.
			(ii)	The Company shall provide telephones at his residence, the cost of which will be borne by the Company.
	C.		(i)	Company's contribution to the provident fund will be as per applicable laws and rules of the Company.
4.	OTHER TERMS	:	(i)	His entitlement for leave and its accumulation and encashment shall be as per prevailing Company rules.
			(ii)	The total remuneration for any year shall not exceed 5% of the profits of the Company as calculated in accordance with Section 198 of the Companies Act, 2013, as existing or modified or re-enacted from time to time.

”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay Dr. Chaitanya Dutt, in respect of such financial year, by way of salary, allowances, perquisites, benefits and contributions, as the Board of Directors may deem fit, subject to the limits prescribed here in and in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), or such other amount as may be approved by the Central Government from time to time as minimum remuneration.”

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

APPOINTMENT OF SMT. RENU CHALLU AS AN INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Smt. Renu Challu (holding DIN 00157204), in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term of three (3) consecutive years effective from 27th July, 2015, not liable to retire by rotation.”

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

REMUNERATION TO NON-EXECUTIVE DIRECTORS (NEDs)

“RESOLVED THAT in supersession of all the earlier resolutions passed in the matter, if any, and pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), the approval of the Company be and is hereby accorded, subject to such other permissions and approvals, if any, as may be required, to pay commission to the Directors of the Company who are neither in the whole time employment nor managing director(s) of the Company (hereinafter referred as ‘eligible Directors’), in accordance with and up to the limit laid down under the provisions of Section 197(1) of the Companies Act, 2013 (including any statutory modification or reenactment thereof), computed in the manner specified in Section 198 of the Companies Act, 2013 or such other limit as may be approved by the Central Government or the relevant authority for a period of 5 years from the financial year commencing 01st April, 2015, in such manner and up to such extent as the Board of Directors or the Committee of Board specifically authorised for this purpose may, from time to time, determine, such commission being divisible amongst the eligible Directors in such proportion and in such manner as may be decided by the Board or the Committee of Board specifically authorized for this purpose.”

“RESOLVED FURTHER THAT subject to provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and such other approvals and permissions, if any, as may be required from the Central Government or from any other authorities, in case of inadequacy of profits of the Company for any financial year, such remuneration, as approved by the Board or the Committee of Board specifically authorized for this purpose, subject to such approval as may be necessary shall be paid to each of eligible Directors.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform and / or to authorise any Committee of Directors or any other person to do or perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution, including submitting application and making representation to the Central Government, if required.”

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

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad – 380 009, Gujarat, India
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Phone: + 91 79 26585090 / 26583060
Fax: + 91 26582100
Website: www.torrentpharma.com
Email Id: investorservices@torrentpharma.com

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 in respect of Item No. 3 and Special Business i.e. Item Nos. 5 to 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. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
5. 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 AGM.
6. Corporate members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
7. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.
8. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. The Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rule, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 42nd AGM by electronic means and all the items of the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (Karvy). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20th July, 2015, may cast their vote by electronic means or in the AGM. The user id and password alongwith detailed instructions for e-voting through the e-voting platform provided by Karvy, forming part of the Notice, is enclosed with this Annual Report.
11. The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting.
12. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
13. The Notice of 42nd AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2015 is uploaded on the Company's website www.torrentpharma.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

14. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 20th July, 2015 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.
15. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 20th July, 2015 ("Incremental Members") may obtain the User ID and password by either sending an e-mail request to evoting@karvy.com or calling on Tollfree No. 1800-345-4001.

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
17. 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.
18. 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 electronic credit of dividend and other cash benefits to members.
19. The Company has decided to close the Register of Members and the Share Transfer Register for a period of three days from 17th June, 2015 to 19th June, 2015 (both days inclusive) for determining the name of members eligible for final dividend on equity shares, if declared at this AGM.

The final dividend on equity shares, if declared at the AGM, will be paid / dispatched on or around 31st July, 2015 to those members whose names appear on the Company's Register of Members or on records of National Securities Depository Limited or Central Depository Services (India) Limited as beneficial owners as on 19th June, 2015.

20. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization 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.
21. 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 members, whose dividends for previous financial years remaining unclaimed / unpaid, for claiming said dividend amount before transfer thereof to Investor Education Protection Fund (IEPF).

Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.

22. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA.