45th Annual Report 2017-18



torrent PHARMA



R&D Centre, Bhat - Gujarat

Towards Healthier Life

Innovation has been the key propeller for change at Torrent Pharma. Our Research and Development Centre houses inquisitive minds, who are passionate about discovering and developing innovative medicines to help patients to an improved access to medicines leading to a better and healthier life.

The efforts are also directed towards the development of new technologies and processes which help us to develop new formulations for existing and new drug substances. Some recent developments include proprietary technologies for development of long acting injectables, nasal sprays and foams for improving efficacy, patient convenience and therapeutic outcome of pharmaceutical products.



Quality Control Lab

CONTENTS

Corporate Information 02

Notice 03

Directors' Report 18

Annexures to Directors' Report 32

Management Discussion and Analysis 59

Business Responsibility Report 75

Report on Corporate Governance 85

Standalone Financial Statements 101

Consolidated Financial Statements 150

Financial Highlights - 5 years 203

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CORPORATE INFORMATION

BOARD OF 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. Renu Challu
8. 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
4. Smt. Renu Challu

SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Smt. Renu Challu
   Chairperson
2. Shri Shailesh Haribhakti
3. Shri Haigreve Khaitan

NOMINATION AND REMUNERATION COMMITTEE

1. Shri Shailesh Haribhakti
   Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava
4. Shri Samir Mehta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Shri Pradeep Bhargava
   Chairman
2. Smt. Renu Challu
3. Dr. Chaitanya Dutt

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Shri Ashok Modi

VP (LEGAL) & COMPANY SECRETARY

Shri Mahesh Agrawal

STATUTORY AUDITORS

B S R & Co. LLP
Chartered Accountants

REGISTERED OFFICE

Torrent House,
Off Ashram Road,
Ahmedabad - 380 009,
Gujarat, India
Phone: + 91 79 26599000
Fax: + 91 79 26582100

CORPORATE IDENTITY NUMBER

L24230GJ1972PLC002126

WEBSITE

www.torrentpharma.com

INVESTOR SERVICES EMAIL ID

investorservices@torrentpharma.com

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Unit: Torrent Pharmaceuticals Limited
Karvy Selenium Tower-B,
Plot No. 31 & 32, Financial District, Gachibowli,
Hyderabad – 500 032
Phone: + 91 40 67162222
Fax: + 91 40 23001153
Email Id: einward.ris@karvy.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Thursday, 2nd August, 2018 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, 2018 including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of interim dividend on equity shares already paid during the financial year ended 31st March, 2018 and to declare final dividend on equity shares for the said financial year.

   The Board of Directors at its meeting held on 8th February, 2018 had declared the interim dividend of ₹ 9.00 per equity share of fully paid up face value of ₹ 5.00 each and in its meeting held on 30th May, 2018 recommended final dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31st March, 2018.

3. To resolve not to fill the vacancy in the Board, caused by the retirement of Shri Markand Bhatt (holding DIN 00061955) who retires by rotation and has expressed his unwillingness to be re-appointed.

4. Modification to the resolution related to the appointment of Statutory Auditors.

   "RESOLVED THAT pursuant to the amendment to the Section 139 of the Companies Act, 2013, effective from 7th May, 2018, the consent of the members of the Company be and is hereby accorded to delete the requirement, seeking ratification of appointment of Statutory Auditors (B S R & Co. LLP, Chartered Accountants) at every Annual General Meeting, from the resolution passed at the shareholders' meeting held on 31st July, 2017."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2018-19

   "RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) ("the Act") and the approval by the Board of Directors at their meeting dated 30th May, 2018, 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 2018-19:

   ₹ 8,00,000/- plus out of pocket expenses & GST 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 the following resolution as an Ordinary Resolution:

   APPOINTMENT OF MS. AMEERA SHAH AS AN INDEPENDENT DIRECTOR

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV to the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for time being in force), Ms. Ameera Shah (holding DIN 00208095), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) consecutive years on the Board of the Company effective from the date of this Meeting."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

RE-APPOINTMENT OF SHRI SHAILESH HARIBHAKTI AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and the Rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modifications or re-enactments thereof, for time being in force), Shri Shailesh Haribhakti (holding DIN 00007347) who holds office of Independent Director up to 31st March, 2019 and who meets the criteria of independence as provided in the Act and Listing Regulations and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company effective from 1st April, 2019."

8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

RE-APPOINTMENT OF SHRI HAIGREVE KHAITAN AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and the Rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modifications or re-enactments thereof, for time being in force), Shri Haigreve Khaitan (holding DIN 00005290) who holds office of Independent Director up to 31st March, 2019 and who meets the criteria of independence as provided in the Act and Listing Regulations and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company effective from 1st April, 2019."

9. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

APPOINTMENT OF SHRI AMAN MEHTA, A RELATIVE OF DIRECTORS AS AN EXECUTIVE OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force) ("the Act"), the consent of the Company be and is hereby accorded to the appointment of Shri Aman Mehta, a relative of Shri Samir Mehta, Executive Chairman and Shri Sudhir Mehta, Chairman Emeritus in the Company on the terms and conditions stated below:

Sr. No.	Particulars	Details	
1.	EFFECTIVE DATE	3rd August, 2018	
2.	DESIGNATION	General Manager or such designation as is appropriate for the functions performed.	
3.	REMUNERATION	Aman shall be paid the following remuneration:	
A	SALARY	:	₹ 1,80,000 (Rupees One Lac Eighty Thousand only) per month. Salary may be increased within the range of ₹ 1,80,000 per month to ₹ 7,20,000 per month during the period of appointment, in such increments as may be decided by the Board or any person authorized by it.
B	PERFORMANCE PAY	:	1. The Company shall pay, in addition to salary, performance pay at a rate not exceeding 50% of the salary, payable annually at the end of the year, as may be decided by the Board or any person authorized by it.

Sr. No.	Particulars	Details	
			2. One Time Reward In case of any situation / project of extraordinary nature beyond the normal responsibilities, he may be given a special one time reward in any year on similar principals as for other employees of the Company.
C	PERQUISITES AND BENEFITS	:	In addition to salary, he will be allowed perquisites and benefits as under:
		(i)	HRA, Conveyance, Car / Car allowance, other allowances and benefits, including club membership, as may be applicable to his designation as per the prevailing rules and policies of the Company.
		(ii)	Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(iii)	Company's contribution to Pension / Superannuation fund will be as per applicable laws and rules of the Company.
		(iv)	The Company shall pay premium on personal accident insurance policy as per the rules of the Company.
		(v)	Additional benefits in accordance with the rules of the Company in respect of location of posting.
		(vi)	The Company shall pay premium on medical insurance for self and family as per the rules of the Company.
		(vii)	Gratuity shall be payable as per applicable laws and rules of the Company.
		(viii)	Entitlement for leave and its accumulation and encashment as per the rules of the Company.

"

"RESOLVED FURTHER THAT the Board of Directors or any person authorized by it in this respect be and are hereby authorised, to determine, modify, consolidate and / or revise the terms and conditions of appointment of Aman, including designation and remuneration within the above limits, in any manner from time to time."

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Mahesh Agrawal
VP (Legal) & Company Secretary

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad - 380 009, Gujarat, India
(CIN: L24230GJ1972PLC002126)
Phone: + 91 79 26599000
Fax: + 91 79 26582100
Website: www.torrentpharma.com
Email Id: investorservices@torrentpharma.com

Ahmedabad
30th May, 2018

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 in respect of Item No. 4 and Special Business i.e. Item No. 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 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.

4. 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 Annual General Meeting (AGM). The holder of the proxy shall prove his identity at the time of attending the meeting.

5. 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.

6. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.

7. 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.

8. 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.

9. 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, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 45th AGM by electronic means and all the items of the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 26th July, 2018, may cast their vote by electronic means or in the AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

   The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 25.

   The voting rights of the members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on the cut-off date i.e. 26th July, 2018.

10. The Company shall 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.

11. 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.

12. The Notice of 45th AGM along with the route map (given on backside of attendance slip) and the Annual Report of the Company for the year ended 31st March, 2018 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 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.

13. Mr. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) and failing him Mr. Kamlesh Patel, Practicing Company Secretary (Membership No. A10772) has been appointed as the scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.

14. 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 two 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 three 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. The result declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.torrentpharma.com and on the website of CDSL immediately after the result is declared by the Chairman and the same shall be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.

15. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

16. The members are requested to intimate to the Company, queries, if any, at least ten days before the AGM to enable the Management to keep the required information available at the meeting.

17. The Company has decided to close the Register of Members and the Share Transfer Register for a period of three days from 20th June, 2018 to 22nd June, 2018 (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 around 7th August, 2018 to those members whose name appear on the Company's Register of Members or List of Beneficial Owners as received from the National Securities Depository Limited or Central Depository Services (India) Limited as on 22nd June, 2018.

18. 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. It also substantially reduce the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

19. The members who have not encashed their Dividend Warrants for any previous period are requested to send the same for revalidation to the Company's Registrars and Transfer Agent (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 and Protection Fund (IEPF).

    Members are requested to note that dividends not encashed or claimed within seven years from the thirty days of declaration of dividend, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.

    Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the information in respect of the unclaimed dividends as on the date of the 44th AGM held on 31st July, 2017 on its website www.torrentpharma.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.

    Further, provisions of Section 124 of the Companies Act, 2013 read with Rule 6 of IEPF Rules as amended, inter alia, mandates the Company to transfer all such shares, in respect of which dividend have not been paid or claimed for seven consecutive years or more, to the demat account of IEPF Authority.

    During FY 2017-18, the Company has transferred 50,903 equity shares of 294 shareholders to the demat account of IEPF Authority.

20. 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. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

21. As required in terms of Secretarial Standard - 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM have been provided in the "Annexure" to the Notice. The Directors have furnished the requisite consent / declarations for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

22. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.

23. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 a.m. to 06:00 p.m.) on any working day up to the date of the AGM of the Company. Such documents will be also available for inspection by members at AGM.

24. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

25. Voting process and instruction regarding e-voting:

Section A: Voting Process:

Members should follow the following steps to cast their votes electronically:

Step 1: Open the web browser during the voting period and log on to the e-voting website www.evotingindia.com.

Step 2: Click on "Shareholders" to cast your vote(s).

Step 3: Please enter User ID

(i) For account holders in CDSL: Your 16 digits beneficiary ID,

(ii) For account holders in NSDL: Your 8 Character DP ID followed by 8 Digits Client ID,

(iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 4: Enter the Image Verification as displayed and Click on "Login".

Step 5: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.

Step 6: Follow the steps given below if you are first time user:

(i) holding shares in physical form

(ii) holding shares in demat form