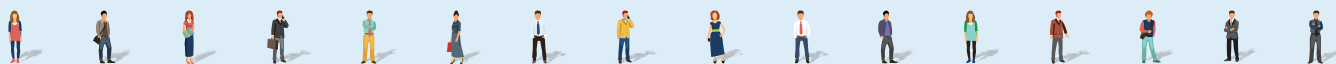


# 46<sup>th</sup>

ANNUAL  
REPORT  
2018-19

CREATING  
VALUE

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SPREADING  
SMILES



Growth and Value Cycle

## Sustaining Growth. Enhancing Shareholders' Value.

The Company believes that all its operations and actions must serve the underlying goal of enhancing the long term value of the shareholders. Company's growth philosophy focusses on efficient capital allocation across opportunities that can yield sustainable growth with superior returns for creating long term value enhancement for our shareholders.

The Company has grown by 17% in terms of revenue and 23% in terms of EBITDA over a period of last 10 years. The shareholders' returns over the same period was 40% compared to the BSE Healthcare Index return of 15%.

With its objective of sustainable growth with superior returns, Company follows a consistent dividend policy of distributing 30% of its annual consolidated net profit after tax without taking into account non-cash charges relating to acquisition.

We maintain the highest level of transparency, accountability and equality in all aspects of the operations and in all interactions with our stakeholders as part of our commitment to practice sound corporate governance principles.



Focus on Long Term Financial Health



Quality Control Lab

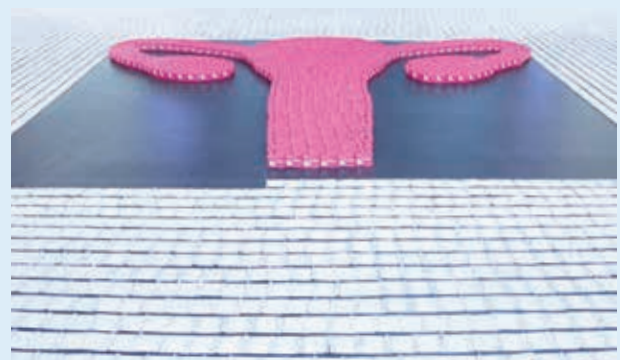
## Assuring Quality. Improving Patient Outcomes.

At Torrent Pharma, we believe in customer centricity and over the decades, our culture has been built keeping customer at the heart of everything we do. This is reflected in the well-diversified product portfolio that supports medical practitioners to improve patient outcome, either by addressing unmet medical needs or by enhancing convenience through novel drug delivery solutions.

Torrent Pharma is a pioneer in initiating the concept of niche marketing in India and is ranked amongst the leaders in therapeutic segment of Cardiovascular (CV), Central Nervous System (CNS), Gastro-Intestinal (GI) and Vitamin Mineral & Nutrients (VMN).

The Company has a robust sales & distribution network and actively partners with the medical fraternity to ensure quality healthcare through high quality products. Our product pipeline aids the medical fraternity to bridge the gaps in multiple therapy areas. The Company also collaborates actively with them through series of academic avenues to support continuous medical education and patient awareness initiatives.

In January 2019, our brand "Regestrone" along with AICOG Bengaluru and FOGSI Mumbai featured in 'Guinness World Records' with key objective to increase awareness on menstrual hygiene.



Creating Awareness on Menstrual Hygiene

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## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

1. Shri Sudhir Mehta  
*Chairman Emeritus*
2. Shri Samir Mehta  
*Executive Chairman*
3. Shri Shailesh Haribhakti
4. Shri Haigreave Khaitan
5. Ms. Ameera Shah
6. Ms. Nayantara Bali
7. Dr. Chaitanya Dutt  
*Director (Research and Development)*

### **AUDIT COMMITTEE**

1. Shri Shailesh Haribhakti  
*Chairman*
2. Shri Haigreave Khaitan
3. Ms. Ameera Shah
4. Ms. Nayantara Bali

### **SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

1. Shri Haigreave Khaitan  
*Chairman*
2. Shri Shailesh Haribhakti
3. Ms. Ameera Shah

### **NOMINATION AND REMUNERATION COMMITTEE**

1. Shri Shailesh Haribhakti  
*Chairman*
2. Shri Samir Mehta
3. Shri Haigreave Khaitan

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

1. Ms. Ameera Shah  
*Chairperson*
2. Ms. Nayantara Bali
3. Dr. Chaitanya Dutt

### **RISK MANAGEMENT COMMITTEE**

1. Shri Shailesh Haribhakti
2. Shri Haigreave Khaitan
3. Shri Sudhir Menon

### **CHIEF FINANCIAL OFFICER**

Shri Sudhir Menon

### **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](http://www.torrentpharma.com)

### **INVESTOR SERVICES EMAIL ID**

[investorservices@torrentpharma.com](mailto:investorservices@torrentpharma.com)

### **REGISTRAR AND SHARE TRANSFER AGENT**

Karvy Fintech 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](mailto:einward.ris@karvy.com)

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Tuesday, 23<sup>rd</sup> July, 2019 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 31<sup>st</sup> March, 2019 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019 and to declare final dividend on equity shares for the said financial year.

The Board of Directors at its meeting held on 30<sup>th</sup> January, 2019 had declared the interim dividend of ₹ 13.00 per equity share of fully paid up face value of ₹ 5.00 each and in its meeting held on 20<sup>th</sup> May, 2019 recommended final dividend of ₹ 4.00 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31<sup>st</sup> March, 2019.

3. To appoint a Director in place of Shri Samir Mehta (holding DIN 00061903), Director, who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. 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 2019-20

**“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 modification(s) or re-enactment thereof, for the time being in force) (“the Act”) and the approval by the Board of Directors at their meeting dated 20<sup>th</sup> May, 2019, 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 2019-20:

₹ 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.”

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

#### RE-APPOINTMENT OF SHRI SAMIR MEHTA AS EXECUTIVE CHAIRMAN AND FIXATION OF REMUNERATION

**“RESOLVED THAT** 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 Regulation 17(1B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the provisions of Section 152(6) of the Companies Act, 2013 and any other applicable laws (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other approval as may be required, the consent of the Company be and is hereby accorded for re-appointment of Shri Samir Mehta (holding DIN 00061903) as Executive Chairman of the Company with effect from 30<sup>th</sup> July, 2019 till 31<sup>st</sup> March, 2020 on the following terms and conditions:

1.	COMMISSION	:	At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Companies Act, 2013, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force).
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2.	PERQUISITES	:	shall be allowed in addition as under:
	A.		(i) The Company shall reimburse annual fees for two clubs.
			(ii) The Company shall pay the premium on personal accident insurance policy as per the Company rules.
			(iii) 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.
3.	OTHER TERMS	:	(i) Such appointment shall not be considered as a break in his service as managerial personnel of the Company.
			(ii) The total remuneration for any year shall not exceed percentage limit of net profits of the Company as specified in the Companies Act, 2013, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V of the Companies Act, 2013 as existing or modified or re-enacted.
			(iii) He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a committee thereof.

**“RESOLVED FURTHER THAT** Shri Samir Mehta shall exercise substantial powers of management subject to superintendence, control and direction of the Board of Directors of the Company.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri Samir Mehta, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force).”

**“RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof specifically authorized for this purpose be and is hereby authorised to decide the amount of Commission to be paid to Shri Samir Mehta and the periodicity of such payment, subject to the overall limit as specified above, notwithstanding the limits stated in the Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force).”

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

**PAYMENT OF COMMISSION TO SHRI SUDHIR MEHTA, CHAIRMAN EMERITUS FOR THE YEAR 2018-19**

**“RESOLVED THAT** pursuant to Regulation 17(6)(ca) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the approval of the shareholders of the Company at the 42<sup>nd</sup> Annual General Meeting of the Company, the consent of the Company be and is hereby accorded for payment of Commission of ₹ 5.00 Crores to Shri Sudhir Mehta (holding DIN 00061871), Chairman Emeritus for the year 2018-19.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and perform and / or to authorize 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.”

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

**REMUNERATION TO NON-EXECUTIVE DIRECTORS (NEDs)**

**“RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for time being in force), 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(s) or re-enactment thereof, for time being in force), 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 1<sup>st</sup> April, 2020, 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.”

**“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.”

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](http://www.torrentpharma.com)  
Email Id: [investorservices@torrentpharma.com](mailto:investorservices@torrentpharma.com)

By Order of the Board of Directors  
**For Torrent Pharmaceuticals Limited**

**Mahesh Agrawal**  
VP (Legal) & Company Secretary

Ahmedabad  
20<sup>th</sup> May, 2019

## 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 No. 4 to 7 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 46<sup>th</sup> 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. 16<sup>th</sup> July, 2019, 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. 28.

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. 16<sup>th</sup> July, 2019.

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. In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) using their secure login credentials. Members are encouraged to use this facility of webcast.
13. The Notice of 46<sup>th</sup> AGM along with the route map (given on backside of attendance slip) and the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2019 is uploaded on the Company's website [www.torrentpharma.com](http://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.

14. Mr. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) and failing him Mr. Jitesh Patel, Practicing Company Secretary (Membership No. A20400) has been appointed as the scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
15. 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](http://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.
16. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
17. 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.
18. The final dividend on equity shares, if declared at the AGM, will be paid / dispatched around 26<sup>th</sup> July, 2019 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 on 14<sup>th</sup> June, 2019 i.e the Record Date fixed for this purpose.
19. 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.
20. SEBI vide its circular dated 8<sup>th</sup> June, 2018 amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.
21. SEBI vide its circular dated 20<sup>th</sup> April 2018, directed all the listed companies to record the Income Tax PAN and Bank Account Details of all their shareholders holding shares in physical form. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest.
22. 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 45<sup>th</sup> AGM held on 2<sup>nd</sup> August, 2018 on its website [www.torrentpharma.com](http://www.torrentpharma.com) and also on the website of the Investor Education and Protection Fund [www.iepf.gov.in](http://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 the year 2018-19, the Company has transferred 33,648 equity shares of 98 shareholders to the demat account of IEPF Authority.

23. 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.
24. 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 Director recommended for re-appointment in the AGM have been provided in the "Annexure" to the Notice. The Director has furnished the requisite consent / declarations for his re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
25. 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.
26. 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.
27. 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.
28. 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](http://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](http://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.