

The background of the page is a light blue grid with a white EKG (heart rate) line running horizontally across it. Various medical and scientific icons are placed along the EKG line, including a heart, a person, a DNA helix, a chemical structure, a leaf, and a lightbulb.

# Consistency with Prudence

# Welcome to the first Integrated Annual Report of Torrent Pharmaceuticals Limited

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### Notice

### VALUE-CREATION MODEL 16



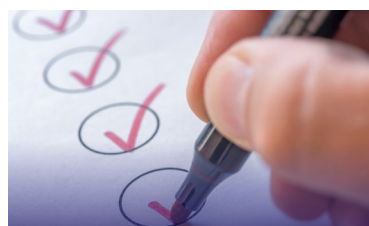
Torrent Pharma's multi-capital business model

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The Company's strategic way forward

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Torrent Pharma's most important topics for value creation

### REPORT NAVIGATION



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Financial Capital



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Manufactured Capital



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Intellectual Capital



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Human Capital



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Social & Relationship Capital



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Natural Capital

## Purpose

This Report strives to communicate the value-creation imperatives of Torrent Pharmaceuticals Limited (Torrent Pharma) to its stakeholders. The report intends to articulate most material matters that impact value, the organisation's strategic priorities, business model, financial and non-financial performance and risk management. This Report also provides an account of the inherent Environmental, Social and Governance (ESG) aspects that drive long-term viability of the business.

## Frameworks and standards

This Report is guided by the International Integrated Reporting (IR) Framework of the International Integrated Reporting Council (IIRC),

## Scope and boundary

This Report covers information pertaining to the period from 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021 and covers disclosures regarding India and overseas operations of Torrent Pharma.

## Responsibility statement

The contents of this Integrated Annual Report has been reviewed by Torrent Pharma's Management, and they undertake the responsibility for the integrity of the information presented in this Report.

# Consistency with Prudence

Consistency is the virtue that transforms average into excellence. Prudence is the mindset that grows a business and sustains its leadership.

At Torrent Pharma, consistency is at the core of all its actions, inextricably embedded in its culture, strategies, business processes and operating practices.

Over decades the Company's consistent approach with prudent actions have enabled its growth, supplementing its journey to become one of the most trusted and respected players in the pharmaceuticals ecosystem.

## Reflections of consistency with prudence

- Niche marketing and specialty focus**  
Consistent and stronger stakeholder engagement
- 'One Product-One Globe-One Quality' approach**  
Consistent quality in any product, across the world
- Patient-centric sales practices**  
Consistent productivity improvement
- New product solutions**  
Consistent and incremental innovation
- Prudent capital allocation**  
Consistent sustained returns

Torrent Pharma overlays consistency with a devout culture of prudence, which is marked by its diligence, rigorous assessment, meticulous analysis and integrated approach to business. It is also mirrored by the Company's approach to corporate governance, risk management, capital allocation and decision making.

It has been this disciplined, consistent and prudent approach to doing business that has led Torrent Pharma to maximise value for each of its stakeholders on a sustained basis, be it through steady earnings growth, continuous improvement of market share, successful turnaround of inorganic assets, strong employee engagement and an unwavering social and environmental focus.

## Key financial highlights 2020-21

### ENTERPRISE VALUE

47,125 (₹ in crores)

↑ 34%

### EARNINGS PER SHARE

73.98 (₹)

↑ 17%

### RESEARCH & DEVELOPMENT EXPENDITURE

487 (₹ in crores)

↑ 14%

### EMPLOYEE COMPENSATION

1,440 (₹ in crores)

↑ 13%

### CSR AND SOCIAL DONATIONS

50 (₹ in crores)

↑ 16%

↑ 10-years CAGR

ABOUT US

# Lifecare for the World

Torrent Pharma, the flagship company of the Torrent Group, is one of the leading pharma companies in India.

With overarching corporate credo of ‘Not Just Healthcare... Lifecare’, Torrent Pharma has consistently offered patient-centric pharma solutions through incremental innovations, niche marketing and specialty focus, establishing itself as a leader and trusted player in the pharmaceutical industry in India, which constitutes ~45%+ of total revenue. Torrent Pharma is ranked among the top 10 in Cardiovascular (CVS), Central Nervous System (CNS), Vitamins & Nutrients (V&M), Gastro-Intestinal (GI) and Anti-Diabetes (AD) therapies in India.

Torrent Pharma was a pioneer in the concept of niche marketing in India. It also has a strong international presence across more than 40 countries with operations in regulated and emerging markets, such as the US, Europe, Brazil and Rest of the World. It operates through its wholly-owned subsidiaries spread across 12 countries with major setups in the US, Germany and Brazil.

## Key facts on Torrent Pharma

40+ Countries

REVENUE PRESENCE

62%

REVENUE FROM BRANDED  
GENERIC MARKETS

700+

SCIENTISTS AT R&D FACILITY

8

MANUFACTURING FACILITIES

12+ Countries

DIRECT PRESENCE THROUGH  
SUBSIDIARIES

13,500+

DIRECT EMPLOYMENT  
CREATION

## Competitive strengths



World-class manufacturing  
and R&D facilities



Extensive network with  
long-lasting stakeholder  
relationships



High chronicity  
in portfolio



Global and diversified  
operations



Highly renowned brands  
across core therapeutic  
areas



Legacy of nearly  
50 years



PRESENCE

# Well-Established Global Footprint

To take forward its proposition of 'Not Just Healthcare... Lifecare,' Torrent Pharma has seven state-of-the-art manufacturing facilities in India and one in the USA. Similarly, its marketing presence is spread across 40+ countries and regions.

Manufacturing facilities

India:

- 1. Indrad, Gujarat
- 2. Dahej, Gujarat
- 3. Baddi, Himachal Pradesh
- 4. Sikkim (Unit I and II)
- 5. Sikkim (III)
- 6. Vizag, Andhra Pradesh
- 7. Pithampur, Madhya Pradesh

US:

- 8. Levittown, Pennsylvania

Research & development facility

- 1. Bhat, Gujarat

Brazil

1<sup>st</sup>

IN BGX COVERED MARKET

AMONG INDIAN PHARMA  
COMPANIES IN BRAZIL

US

11<sup>th</sup>

AMONG INDIAN PLAYERS  
IN THE US MARKET

25

PRODUCTS

ranked among

top 3

PLAYERS

Germany

5<sup>th</sup>

IN GERMANY GENERIC  
PHARMA MARKET

1<sup>st</sup>

AMONG INDIAN  
PHARMA COMPANIES  
IN GERMANY

India

8<sup>th</sup>

IN INDIAN PHARMA MARKET

6<sup>th</sup>

AMONG SPECIALISTS IN IPM

7<sup>th</sup>

RX RANK IN IPM

75%+

CHRONIC AND SUB-CHRONIC  
SHARE IN INDIAN BUSINESS

Key market highlights

Manufacturing and R&D sites

Source: AIOCD Data, IQVIA Data, Insight Health (IMS) Data, Company Data

Disclaimer: Map for representational purpose, not to be scaled

# Committed to Values

Torrent Pharma was founded in 1959 as Trinity Laboratories (Trinity) by Late Shri U. N. Mehta, with a simple and unique sense of purpose - 'Happiness for all'. A medical representative with an exemplary vision, he ventured out on his own by making niche marketing his core competency. Trinity was later renamed as Torrent Pharmaceuticals Limited and was taken public.

In the initial years of its foundation, Torrent Pharma ventured in to Central Nervous System (CNS) therapy in India and has gradually expanded its footprints across all the major therapies and is currently ranked 8<sup>th</sup> in India Pharma Market (IPM) with 75%+ focus on chronic and sub-chronic therapies.



## Vision

To become the  
Most Respected  
Pharma Company.



## Mission

We commit ourselves  
to total customer  
care by delivering  
world-class products  
and services.

OUR CORE VALUES, THAT ARE TIMELESS AND WELL FOUNDED, ENSURES OUR LONGEVITY



**Integrity**



**Passion for Excellence**



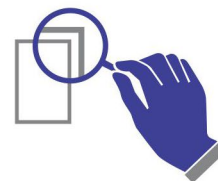
**Participative  
Decision-Making**



**Concern for  
Society & Environment**



**Fairness with Care**



**Transparency**



## Core values

Torrent Pharma fosters and believes in six core values, which are integral to its manner of business conduct. Individually and collectively, these timeless values strengthen the Company's foundation and ensure its longevity.

### Timeless values to ensure longevity



CUSTOMERS



EMPLOYEES



COMMUNITY



INVESTORS



SUPPLIERS



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

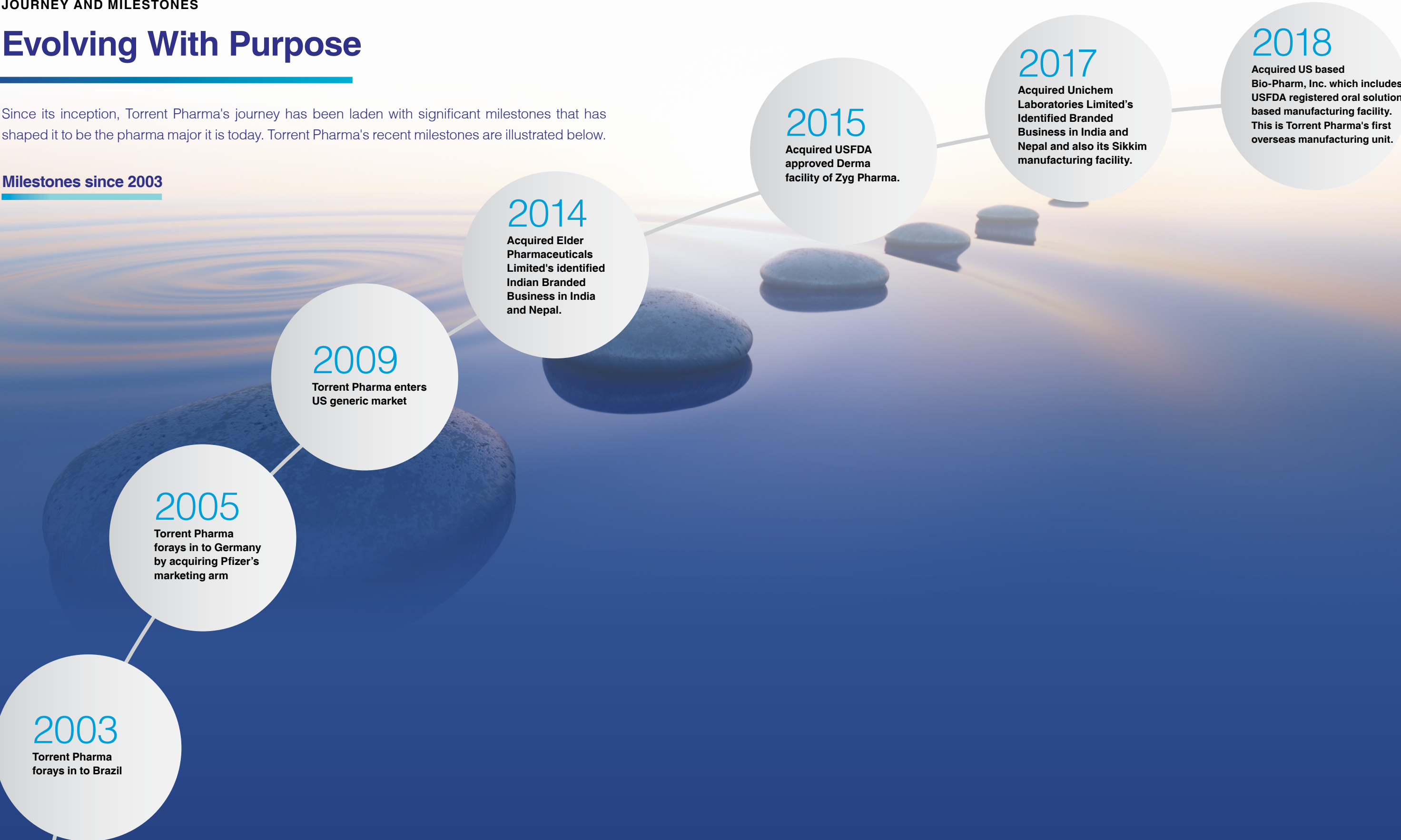
**Openness that builds enduring trust:** Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

JOURNEY AND MILESTONES

# Evolving With Purpose

Since its inception, Torrent Pharma's journey has been laden with significant milestones that has shaped it to be the pharma major it is today. Torrent Pharma's recent milestones are illustrated below.

Milestones since 2003





## Leading Brands

The Company's branded generics products enjoy long-standing brand equity and are trusted by patients and healthcare professionals from around the world.



## India Products Portfolio

**Disclaimer:** The products displayed above is for the information of the Company's shareholders only and is neither an advertisement nor is displayed with an intention to endorse, advertise, promote or recommend the use of any products shown above. These products should be consumed strictly under the directions of a Registered Medical Practitioner.

Over the years, Torrent Pharma has developed a niche portfolio in Branded Generics markets with high chronicity that ensures high prescription stickiness and business sustainability. It has also cascaded its go-to-market strategies and success to other Branded Generics markets viz. Brazil, Philippines, and Rest of the World



## Brazil Products Portfolio

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