

Accelerating Growth with Sustainability



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ACCELERATING GROWTH WITH SUSTAINABILITY

Torrent Pharmaceuticals Limited (Torrent Pharma) firmly believes in building sustainable business with focus on enhancing value for the stakeholders at large. The Company is accelerating the growth to elevate future-readiness that broadens access to holistic lifecare beyond healthcare through sustainable business practices. Torrent Pharma endeavours to remain a socially and environmentally responsive company with strong edifice on governance, which can contribute to growth in value and competitiveness.

Torrent Pharma acknowledges the extant environmental threats and climate change crises have only raised the need for sustainability to build long-term profitable businesses. Also, against the growing challenges of disparities in access to quality and affordable healthcare, the Company realises that it must put care for the planet and the people at the core of the business strategy and be accountable for the actions.

The Company is continuously exploring new and innovative ways to grow by adopting an integrated growth strategy and through optimum use of resources. This is the only way to foster inclusive growth and value creation for the patients, employees, investors, communities and other stakeholders while growing business and staying resilient.

The Company has adopted the **Growth with Sustainability** model, which enables it to create sustainable value for all stakeholders, renders long-term competitive advantage, creates and build its brand equity. While maximizing shareholders value is at the core, focusing on environment and inspiring our stakeholders at all levels will improve our ability to drive profits and create sustainable value.

Torrent Pharma is also transforming business models, manufacturing processes and technology frameworks to reduce the impact of its operations on the environment. The product portfolio is continually evolving to meet the changing needs of patients. The Company has also further strengthened the governance mechanisms to enhance transparency and deepen stakeholder engagement. Together, this integrated approach is helping to expand reach, improve efficiencies and set new benchmarks for sustainability-led growth in the industry.

The Company has also developed a measurable action plan embedding ESG (Environment, Social and Governance) aspects with its growth strategy, basis its engagement with and feedback from various stakeholder groups. It is the Company's firm belief that the long-term prosperity lies in accelerating growth while keeping sustainability and collective wellbeing of the stakeholders at core of the business.

KEY HIGHLIGHTS

GROWING SUSTAINABLY

While sustainability has always been an integral part of decision-making at Torrent Pharma, in 2021-22, the Company adopted a structured framework i.e., an integrated strategy in line with its aspirations. The strategy is also supported by a detailed roadmap with specific KPIs, including performance targets which are supported with strong implementation and robust governance mechanism.

In India, Torrent Pharma outperformed the Indian Pharma Market with a robust growth of 15% complemented by top brands and new launches. The Company has also established three licensing collaborations (Baricitinib, Molnupiravir and Paxlovid) to strengthen its Covid portfolio.

Among the Company's overseas markets, Brazil registered a strong growth of 18% vis-à-vis market growth of 12%, driven by performance of top brands.

Torrent Pharma maintained its EBITDA margins at 31% (2020-21: 32%). The previous margins were higher to the extent of Covid induced cost moderation. The current year margins had impact of pricing pressures in the US base business coupled with lack of new launches pending re-inspection of facilities by USFDA.

The leverage (Net Debt to EBTIDA) as at 2021-22 end stands at 1.3x (2020-21: 1.6x).

ENTERPRISE VALUE

₹ 50,651 crores

↑ 13%

EBITDA

₹ 2,621 crores

↑ 10%

R&D EXPENDITURE

₹ 516 crores

↑ 4%

EMPLOYEE COMPENSATION

₹ 1,526 crores

↑ 9%

MAN-HOUR TRAINING

4.86+ lakhs

CSR BENEFICIARIES

78,000+

↑ 5-years CAGR



ABOUT THE REPORT



Intent of Report

This Report intends to communicate the value-creation imperatives of 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 ESG aspects that drive the long-term viability of the business.



Approach to Report

This Report is guided by the International Integrated Reporting (IR) Framework of the International Integrated Reporting Council (IIRC). The report is also in accordance with Global Reporting Initiatives (GRI): Core Option and is inspired by United Nations Sustainable Development Goals (UN SDGs).

This Report covers information pertaining to the period from 1st April 2021 – 31st March 2022 and covers disclosures regarding India and overseas operations of Torrent Pharma.



Responsibility Statement

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



Feedback and Contact Details

Feedback: We would be pleased to hear your feedback and concerns/suggestions on the Integrated Annual Report. We thank you for your valuable time and interest. Please write to us at: investorservices@torrentpharma.com

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Navigation

The following icons have been used throughout the report to demonstrate connectivity between Torrent Pharma's integrated strategy, value creation and stakeholder influence. Please click the icons throughout the report to understand the topics in detail.

Our Integrated Strategy

ST1

Improve market share in core markets

ST2

Invest in tomorrow's growth engines

ST3

Operational excellence

ST4

Engaged and empowered Stakeholders

ST5

Deploy digital technologies

ST6

Responsible actions

ST denotes Strategic Theme

Stakeholders



Patients



Channel Partner



Suppliers



Healthcare Professionals



Employees



Government and Regulators



Communities



Industry Associations



Investors and Shareholders

UN SDGs*



Capitals



Financial Capital



Manufacturing Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

*For information purpose only

CORPORATE OVERVIEW

This section provides an overview of Torrent Pharma covering its journey, values, domestic and global presence, product portfolio and key milestones. The Company's evolution as one of India's leading and most respected pharmaceutical giants is underlined by its deeply ingrained value system, an agile strategy and bold business moves backed by robust risk management. Today, the Torrent Pharma brand and products enjoy the trust and loyalty of patients and healthcare professionals globally.





ABOUT US

RESPONSIBLE LIFECARE FOR THE WORLD

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

With the 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. India business constitutes ~50% of total revenue of Torrent Pharma.

Torrent Pharma is ranked among the top 10 in Cardiovascular (CVS), Central Nervous System (CNS), Vitamins and Nutrients

(VMN), Gastro-Intestinal (GI) and Anti-Diabetes (AD) therapies in India. Torrent Pharma is 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.

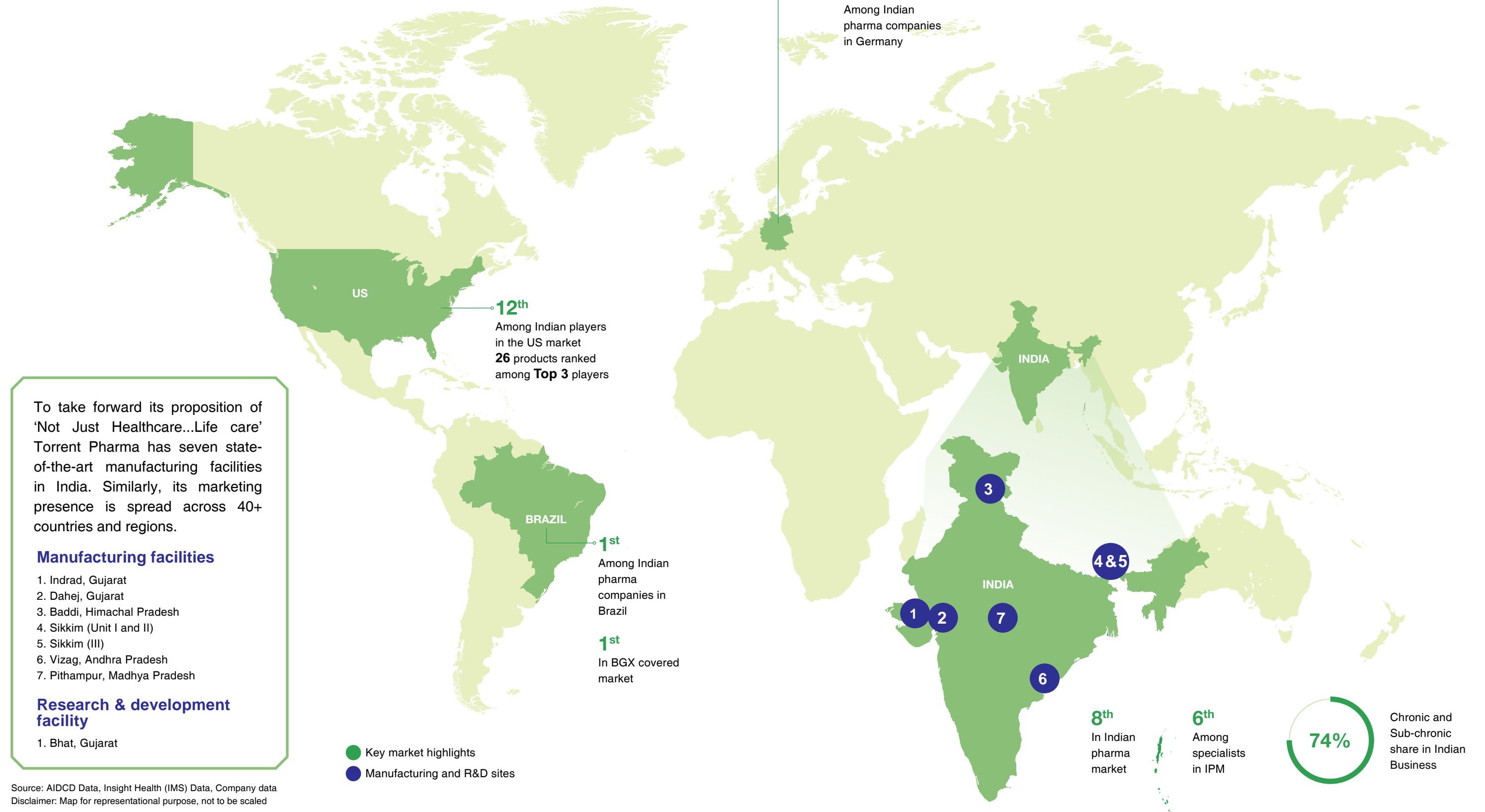
Competitive Strengths

Torrent Pharma's competitive advantage stems from its:



PRESENCE

ENHANCING OUR GLOBAL FOOTPRINT



TAKING INSPIRATION FROM OUR VALUE SYSTEM

Torrent Pharma was founded in 1959 as Trinity Laboratories (Trinity) by Late Shri U. N. Mehta, with a simple and a 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 into Central Nervous System (CNS) therapy in India and has gradually expanded its footprints across all the major therapies and is currently ranked 8th in India Pharma Market (IPM) with 74% 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



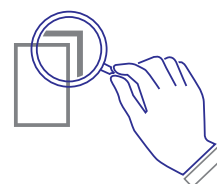
Participative Decision-Making



Concern for Society & Environment



Fairness with Care



Transparency



GROWTH JOURNEY AND KEY MILESTONES

CREATING POSITIVE IMPACT WITH GROWTH

Since inception, Torrent Pharma's journey has been laden with significant milestones that have shaped it into the pharma major it is today. Torrent Pharma's key milestones are illustrated below.

