

Quarterly Compliance Report on Corporate Governance Clause 49 of Listing Agreement

Name of the Company: **Torrent Pharmaceuticals Limited**

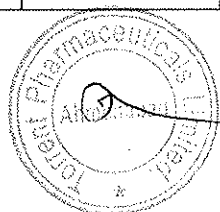
Date: **10-Jul-15**

Quarter ending on: **30th June, 2015**

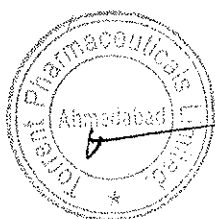
Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
II. Board of Directors	49 II		
(A) Composition of Board	49 (IIA)	Yes	The Company's Board comprises of 8 Directors, of which 6 are non-executive directors (NEDs), representing 75% of total strength. Further out of said 6 NEDs, 4 are independent directors representing 50% of total strength of the Board. Smt. Bhavna Doshi had resigned as an Independent Director (Woman Director) w.e.f. 15 th May, 2015 and accordingly the Company has proposed the resolution for appointment of Smt. Renu Challu as an Independent Director (Woman Director) of the Company w.e.f. 27 th July, 2015 for members' approval in the forthcoming Annual General Meeting of the Company scheduled on 27 th July, 2015
(B) Independent Directors	49 (IIB)		
Independent Directors	49 (IIB)(1)	Yes	The Independent Directors, presently on the Board of the Company, fulfill the criteria laid down in the clause.
Limit on number of directorships	49 (IIB)(2)	Yes	No Independent Director of the Company is serving as an Independent Director in more than 7 listed companies. Further, any director on the board of the Company who is serving as a Whole time Director in any listed company is not serving as an Independent Director in more than 3 listed companies.
Maximum tenure of Independent Directors	49 (IIB)(3)	Yes	Maximum tenure of Independent Director is as per the provisions of Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs.
Formal letter of appointment to Independent Directors	49 (IIB)(4)	Yes	Formal letter of appointment has been issued to all the Independent Directors. Terms and conditions of appointment are also disclosed on the website of the Company.
Performance evaluation of Independent Directors	49 (IIB)(5)	Yes	The Nomination and Remuneration committee has laid down the criteria for performance evaluation of the Independent Directors and disclosures have been made in the Annual Report 2014-15. Based on such criteria the Board had evaluated the performance of the Independent Directors.



Separate meetings of the Independent Directors	49 (IIB)(6)	Yes	Separate meeting of the Independent Directors was held in the Financial Year 2014-15 and shall be held during Financial Year 2015-16.
Familiarisation Programme for Independent Directors	49 (IIB)(7)	Yes	Company has taken appropriate actions for familiarisation programme for Independent Directors to familiarise with their roles & responsibilities in the Company etc. The details of the programme are displayed on the website and a weblink thereto is disclosed in the Annual Report for 2014-15
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	The criteria of Sitting fees and Commission of the NEDs are within the limits prescribed under the Companies Act, 2013 and also payment of Commission is within the limits approved by the shareholders.
(D) Other provisions as to Board and Committees	49 (IID)		
Frequency of Board Meeting	49 (IID) (1)	Yes	During the First quarter ended on 30 th June, 2015, two Board Meeting has been held on 16 th April, 2015 and 15 th May, 2015 and the gap between said meetings along with the meeting held during the last quarter (i.e. Q4) did not exceed 120 days.
Committee Positions	49 (IID) (2)	Yes	No director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies in which they are directors. Furthermore, the Company annually discloses the committee positions of all directors in its Annual Report.
Compliance Report	49 (IID)(3)	Yes	The certificate confirming compliance with the laws applicable to the Company are placed before quarterly Board meeting and reviewed by the Board.
Resignation / removal of Independent Director	49 (IID)(4) & (5)	Yes	One of the Independent Director of the Company, Smt. Bhavna Doshi resigned with effect from 15 th May, 2015. Accordingly the Company has proposed the resolution for appointment of Smt. Renu Challu as an Independent Director w.e.f 27 th July, 2015 for member's approval in the forthcoming Annual General Meeting of the Company scheduled on 27 th July, 2015.
Succession plan for appointment of Board & Senior Management	49 (IID)(6)	Yes	The Company has in place the Succession Plan for appointment of Board & Senior Management.
(E) Code of Conduct	49 (IIE)	Yes	The Board has already laid down interalia the Code of Business Conduct for the Board Members and Senior Management of the Company. The Annual Report of the Company for 2014-15 contained a declaration of compliance signed by the CEO and the Annual Report for 2015-16 will contain a declaration of compliance signed by the CEO to this effect.



(F) Whistle Blower Policy	49 (IIF)	Yes	The Company has already established a vigil mechanism enabling Stakeholders, including Employees and Directors etc. to report concerns about unethical behaviour, fraud etc., and the same has also been displayed on the website of the Company.
III. Audit Committee	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	The Committee comprises entirely of Independent Non-Executive Directors (INEDs). All members of the Committee are financially literate. The Chairman of the Committee is also an INED and have accounting and financial management expertise. The Chairman of the Committee was present at last AGM held on 30 th July, 2014.
(B) Meeting of Audit Committee	49 (IIIB)	Yes	During the first quarter of financial year 2015-16, one meeting has been held i.e. on 15 th May, 2015, and the gap between said meeting and meeting held during the last quarter (i.e. Q4) did not exceed 4 months.
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
IV. Nomination and Remuneration Committee	49 (IV)	Yes	The Committee comprises entirely of Non-Executive Directors and majority of them are Independent Directors. The role of Committee is as per the Listing Agreement and Companies Act, 2013.
V. Subsidiary Companies	49 (V)		
A) Nomination of an INED of the Company to the Board of material unlisted Indian subsidiary company	49 (VA)	N.A.	As the Company at present does not have any unlisted Indian subsidiary company, this provision will not be applicable.
B) Audit Committee to review financial statements & investments made by unlisted subsidiary companies	49 (VB)	Yes	The Audit Committee review all the information as per the Listing Agreement and the Company will always ensure to comply with this requirement.
C) Minutes of Board Meeting of unlisted subsidiary companies & statement of significant transactions & arrangements to be tabled at Board meeting	49 (VC)	Yes	The minutes are regularly placed before the Board and the Company will always ensure to comply with this requirement.
D) Policy for determining 'Material' subsidiary	49 (VD)	Yes	Company has formulated a policy on determining material subsidiaries which is also displayed on the website of the Company and a weblink thereto was disclosed in the Annual Report for 2014-15

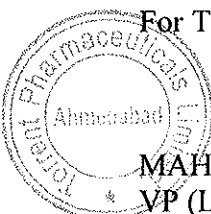


			and will be disclosed in the Annual Report for 2015-16.
VI. Risk Management	49 (VI)	Yes	The Audit Committee has been delegated with the roles & powers, inter alia, of monitoring and reviewing of the risk management plan and other functions. Consequently, the Committee has been renamed as Audit and Risk Management Committee.
VII. Related Party Transactions	49 (VII)	Yes	Company has formulated a policy on materiality of Related Party Transactions and dealing with the Related Parties, as required under Listing Agreement. For entering into any transactions with Related Parties, prior approval of Audit Committee is taken as per the applicable laws and as per the said policy.
VIII. Disclosures	49 (VIII)	Yes	
(A) Related party transactions	49 (VIII A)	Yes	Detailed disclosure of all the material transactions entered into with related parties for the period from 01-Apr-2015 to 30-Jun-2015 is attached as an Annex 1 to this report. Company has placed the policy on Related Party Transactions on its website and disclosed the weblink thereto in its Annual Report for 2014-15.
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	Disclosed in the Annual Report 2014-15. Will be disclosed in the Annual Report for 2015-16.
(C) Remuneration of Directors	49 (VIII C)	Yes	Disclosed in the Annual Report 2014-15. Will be disclosed in the Annual Report for 2015-16.
(D) Management	49 (VIII D)	Yes	Disclosed in the Annual Report 2014-15. Will be disclosed in the Annual Report for 2015-16.
(E) Shareholders	49 (VIII E)	Yes	Disclosed in the Annual Report 2014-15. Will be disclosed in the Annual Report for 2015-16.
(I) Proceeds from public issues, rights issues, preferential issues etc.	49 (VIII I)	N.A.	
IX. CEO/CFO Certification	49 (IX)	Yes	The CEO/CFO certificate was placed at the meeting of the Board of Directors of the Company held on 15th May, 2015 for approving annual financial statement for 2014-15. Requisite certificate will be placed at



			the Board meeting, inter alia, for approving annual accounts for 2015-16, in compliance with this clause.
X. Report on Corporate Governance	49 (X)		
A) Separate Section on Corporate Governance in the Annual Report	49 (X) (A)	Yes	Report on Corporate Governance formed part of the Annual Report 2014-15 and the same will form part of the Annual Report for 2015-16.
B) Submission of Quarterly Compliance Report to Stock Exchanges	49 (X) (B)	Yes	The Company has been submitting the quarterly Compliance Report on Corporate Governance to the BSE and NSE. Copies of the said report after submission to SEs are placed at every succeeding Board meeting of the Company.
XI. Compliance	49 (XI)		
A) Auditors Certificate regarding compliance of conditions of Corporate Governance	49 (XI) (A)	Yes	Auditor's Certificate regarding compliance of conditions of Corporate Governance forms the part of Annual Report for FY 2014-15. Further the Auditors' certificate for F.Y. 2014-15 was sent to Stock Exchanges along with Annual Report. Auditors' certificate for F.Y. 2015-16 shall also be sent to Stock Exchanges along with Annual Report 2015-16.
B) Mandatory & Non-Mandatory Requirements	49 (XI) (B)	Yes	Disclosures regarding compliance with the mandatory requirements and adoption / non-adoption of non-mandatory requirements under Clause 49 of the Listing Agreement on Corporate Governance were made in Annual Report 2014-15. Similar disclosures shall be made in the Annual Report for 2015-16.

For TORRENT PHARMACEUTICALS LIMITED



(Signature)

MAHESH AGRAWAL
* VP (LEGAL) & COMPANY SECRETARY

Encl.: Annex 1

Annex 1

REPORT ON MATERIAL RELATED PARTY TRANSACTIONS WITH THE RELATED PARTIES UPTO 30TH JUNE, 2015 (FROM 1ST APRIL, 2015 TO 30TH JUNE, 2015)

As per the Listing Agreement Clause 49 (VIII)(A), details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

Pursuant to the said clause the following is the material transaction taken place with the related parties upto 30th June, 2015 (from 1st April, 2015 to 30th June, 2015):

Sr. No.	Name of related party	Relation with Company	Description of Transactions	Value up to 30-Jun-15 (₹ in Cr.)
1	Torrent Pharma Inc., USA	Subsidiary of the Company	Sale of finished goods	1278.74
			Services received	1.84
			Expenses reimbursement	0.60
			TOTAL	1281.18

