

42nd
Annual Report 2014-15



The New
Destination of
Possibilities

DAHEJ

Its unique design,
in which flexibility and
scale are inbuilt,
can manage
**small to large batches,
greater complexity,
and ever-increasing
quality expectations.**





Spread across 70 acres at Dahej SEZ, Torrent Pharma's new manufacturing facility with a capacity of 14.5 billion tablets and 81 MT of API is set to redefine the manufacturing scale in the Indian pharmaceutical industry. Once fully commissioned, the facility would be one of the largest pharma manufacturing facilities in India at a single location. This would almost double Torrent's existing capacity.

This highly automated facility is equipped to deliver consistent quality in reduced cycle times. Its unique design, in which flexibility and scale are inbuilt, can manage small to large batches, greater

complexity, and ever-increasing quality expectations. Further, use of environmentally sound practices to conserve natural resources reflects Torrent's concern for society and environment; one of its core values.

This facility would mainly cater to the key regulated markets like US and Europe.

Located strategically at Dahej SEZ, District Bharuch, Gujarat, the facility has close proximity to the port & is also well connected to the National Highway (NH-8).

Dahej, in its true sense, is much more than just an SEZ for us; it's our New Destination of Possibilities.

The New
Destination of
Possibilities
Dahej

42nd

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CORPORATE INFORMATION

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. Bhavna Doshi
(Ceased to be Director w.e.f. 15th May, 2015)
8. Prof. Ashish Nanda
9. 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

SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Shri Sudhir Mehta
Chairman
2. Shri Markand Bhatt
3. Shri Samir Mehta

NOMINATION AND REMUNERATION COMMITTEE

1. Prof. Ashish Nanda
Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava
4. Smt. Bhavna Doshi
(Ceased to be Member w.e.f. 15th May, 2015)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Shri Pradeep Bhargava
Chairman
2. Smt. Bhavna Doshi
(Ceased to be Member w.e.f. 15th May, 2015)
3. Dr. Chaitanya Dutt

COMMITTEE OF DIRECTORS

1. Shri Markand Bhatt
Chairman
2. Shri Samir Mehta

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Shri Ashok Modi

VP (LEGAL) & COMPANY SECRETARY

Shri Mahesh Agrawal

AUDITORS

Deloitte Haskins & Sells, Ahmedabad
Chartered Accountants

REGISTERED OFFICE

Torrent House,
Off Ashram Road,
Ahmedabad – 380 009,
Gujarat, India
Phone: + 91 79 26585090 / 26583060
Fax: + 91 79 26582100

MANUFACTURING FACILITIES

1. Village Indrad, Taluka Kadi,
Dist. Mehsana (Gujarat)
2. Village Bhud, Baddi, Teh. Nalagarh,
Dist. Solan (Himachal Pradesh)
3. 32 No. Middle Camp, NH – 31 A,
East District, Gangtok (Sikkim)

DAHEJ PROJECT SITE

Plot No. Z104-106, Dahej SEZ Phase II,
Taluka Vagra, Dist. Bharuch (Gujarat)

RESEARCH & DEVELOPMENT FACILITY

Village Bhat, Dist. Gandhinagar (Gujarat)

WEBSITE

www.torrentpharma.com

REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited
Unit: Torrent Pharmaceuticals Limited
Karvy Selenium Tower-B,
Plot No. 31 & 32, Financial District, Gachibowli,
Hyderabad – 500 008
Phone: + 91 40 67162222
Fax: + 91 40 23001153
Email Id: einward.ris@karvy.com

INVESTOR SERVICES EMAIL ID

investorservices@torrentpharma.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Monday, 27th July, 2015 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, 2015 including the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.
2. To confirm the payment of interim dividend on equity shares already paid during the financial year ended 31st March, 2015 and to declare final dividend on equity shares for the said financial year.

The Board of Directors at its meeting held on 28th January, 2015 had declared the normal annual dividend as interim dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31st March, 2015 and in its meeting held on 15th May, 2015 recommended a special dividend as final dividend of ₹ 6.25 per equity share of fully paid up face value of ₹ 5.00 each for the said financial year.

3. To appoint a Director in place of Shri Markand Bhatt (holding DIN 00061955), Director, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2015-16

"RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Audit and Record) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the Act") and on the recommendation of the Audit and Risk Management Committee and approval by the Board of Directors at their meeting dated 15th May, 2015, 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 2015-16:

₹ 6,00,000/- plus out of pocket expenses & service tax 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 with or without modification(s), the following resolution as an Ordinary Resolution:

RE-APPOINTMENT OF DR. CHAITANYA DUTT AS A WHOLE TIME DIRECTOR AND FIXATION OF REMUNERATION

"RESOLVED THAT in supersession of the ordinary resolution passed in the Annual General Meeting (AGM) held on 30th July, 2014 and 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 subject to the provisions of Section 152(6) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and any other approval as may be required, the consent of the Company be and is hereby accorded for re-appointment of Dr. Chaitanya Dutt (holding DIN 00110312) as a Whole-time Director of the Company, to be designated as Director (Research & Development) with effect from 1st January, 2015 for a period of 3 (three) years on the following terms of remuneration:

1.	BASIC SALARY	:	a) ₹ 20,75,000 per month with effect from 1 st January, 2015. Salary shall be revised as under : b) ₹ 24,25,000 per month with effect from 1 st January, 2016. c) ₹ 28,00,000 per month with effect from 1 st January, 2017.	
2.	COMMISSION	:	In any situation of extraordinary nature, a landmark discovery and / or a significant development having a positive long term impact on the business and operations of the Company, he may be paid commission, not exceeding 0.5% of the profits of the company of the relevant year, subject to the provisions of the Companies Act, 2013. He would be eligible for this commission only once during his proposed term of 3 years. The actual amount shall be reviewed and recommended by the Nomination and Remuneration Committee and finally approved by the Board of Directors.	
3.	PERQUISITES	:	The appointee will be also allowed the perquisites as under:	
	A.		(i)	The Company shall pay House Rent Allowance @ 60% of the salary.
			(ii)	The Company shall reimburse annual fees for two clubs.
			(iii)	The Company shall pay the premium on personal accident insurance policy as per Company rules.
			(iv)	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.
	C.		(i)	Company's contribution to the provident fund will be as per applicable laws and rules of the Company.
4.	OTHER TERMS	:	(i)	His entitlement for leave and its accumulation and encashment shall be as per prevailing Company rules.
			(ii)	The total remuneration for any year shall not exceed 5% of the profits of the Company as calculated in accordance with Section 198 of the Companies Act, 2013, as existing or modified or re-enacted from time to time.

”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay Dr. Chaitanya Dutt, in respect of such financial year, by way of salary, allowances, perquisites, benefits and contributions, as the Board of Directors may deem fit, subject to the limits prescribed here in and in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), or such other amount as may be approved by the Central Government from time to time as minimum remuneration.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

APPOINTMENT OF SMT. RENU CHALLU AS AN INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Smt. Renu Challu (holding DIN 00157204), in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term of three (3) consecutive years effective from 27th July, 2015, not liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

REMUNERATION TO NON-EXECUTIVE DIRECTORS (NEDs)

“RESOLVED THAT in supersession of all the earlier resolutions passed in the matter, if any, and pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), 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 or reenactment thereof), 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 01st April, 2015, 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, such commission being divisible amongst the eligible Directors in such proportion and in such manner as may be decided by the Board or the Committee of Board specifically authorized for this purpose.”

“RESOLVED FURTHER THAT subject to provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and such other approvals and permissions, if any, as may be required from the Central Government or from any other authorities, in case of inadequacy of profits of the Company for any financial year, such remuneration, as approved by the Board or the Committee of Board specifically authorized for this purpose, subject to such approval as may be necessary shall be paid to each of eligible Directors.”

“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, including submitting application and making representation to the Central Government, if required.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad – 380 009, Gujarat, India
(CIN: L24230GJ1972PLC002126)
Phone: + 91 79 26585090 / 26583060
Fax: + 91 26582100
Website: www.torrentpharma.com
Email Id: investorservices@torrentpharma.com

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

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 Nos. 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 member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
4. 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.
5. 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 AGM.
6. 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.
7. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.
8. 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.
9. 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.
10. 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, substituted by the Companies (Management and Administration) Amendment Rule, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 42nd AGM by electronic means and all the items of the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (Karvy). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20th July, 2015, may cast their vote by electronic means or in the AGM. The user id and password alongwith detailed instructions for e-voting through the e-voting platform provided by Karvy, forming part of the Notice, is enclosed with this Annual Report.
11. The Company shall also 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.
12. 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.
13. The Notice of 42nd AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2015 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(s) 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. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 20th July, 2015 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.
15. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 20th July, 2015 ("Incremental Members") may obtain the User ID and password by either sending an e-mail request to evoting@karvy.com or calling on Tollfree No. 1800-345-4001.

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

16. 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 2 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 3 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.
17. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
18. As per SEBI Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, listed companies are required to use, either directly or through their RTA, any RBI approved electronic mode of payment like ECS, NECS, NEFT etc. for distribution of dividends or providing other cash benefits to the investors. Accordingly, the members, holding shares in physical form, are requested to update their address or provide / update their bank mandate (including details of MICR, IFSC etc.) with the Company or its Registrars & Transfer Agents (RTA), Karvy Computershare Private Limited and members holding shares in dematerialized form are requested to intimate any change in their address or to change / update bank mandate with their Depository Participants (DP) to enable the Company or RTA for making arrangements for electronic credit of dividend and other cash benefits to members.
19. The Company has decided to close the Register of Members and the Share Transfer Register for a period of three days from 17th June, 2015 to 19th June, 2015 (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 on or around 31st July, 2015 to those members whose names appear on the Company's Register of Members or on records of National Securities Depository Limited or Central Depository Services (India) Limited as beneficial owners as on 19th June, 2015.

20. 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. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
21. The members who have not encashed their Dividend Warrants for previous financial years are requested to send the same for revalidation to the Company's 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 Protection Fund (IEPF).

Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.

22. 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.

23. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM is forming part of the Explanatory Statement given below. The Directors have furnished the requisite consent / declarations for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
24. The Securities and Exchange Board of India (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 DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
25. 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 all working days except second and fourth Saturdays, up to the date of the AGM of the Company.
26. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND (2) OF THE COMPANIES ACT, 2013

Item No. 3

Pursuant to Section 152 (6) of the Companies Act, 2013, Shri Markand Bhatt retires by rotation at this AGM and being eligible, is proposed for re-appointment. He was last re-appointed as Director on 30th July, 2011. Shri Bhatt has expressed his intention to act as a Director, if reappointed.

Shri Markand Bhatt, aged 68 years, a Post Graduate of IIM, Ahmedabad, is the Group Chief Executive Officer of Torrent Group. He has more than 46 years of professional managerial experience in multi disciplinary areas dominated by more than two decades of principal involvement in power sector projects. He has been a member of Board of the Company since 2000.

Over the past several years he has been providing valuable guidance in formulation of strategy and implementation thereof. As part of Torrent Power, a group company, Shri Bhatt has played a pivotal role in the entire journey of the SUGEN Mega Power Project – from concept to commissioning of that project, which is unique in many respects. The project was completed within the budgeted cost resulting in the lowest per MW cost due to his sustained efforts. Shri Bhatt is also responsible for implementation of 382.5 MW UNOSUGEN Project and 1200 MW DGEN Project which have also been commissioned. He also oversees other generation project initiatives which are in the pipeline such as Torrent Pipavav etc.

He was also the Managing Director of erstwhile Gujarat Torrent Energy Corporation Limited (GTEC) which set up 655 MW Gas based fuel Combined Cycle Power Project within budgeted cost and timelines. He spearheaded divestment of GTEC by Torrent Group, which was the biggest ever deal in the country at that point of time. Earlier, he practiced as a Management Consultant and was associated with various premier government organizations and private groups such as Torrent, Nirma, Cama, Raymonds etc.

His other directorship includes that of Torrent Power Limited. He is a member of Nomination and Remuneration Committee and Securities Transfer and Stakeholders Relationship Committee of the Company. He holds 10200 shares jointly with Shri Gunjan Bhatt (son of Shri Markand Bhatt) in the Company.

Item No. 5

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant in practice or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on 15th May, 2015, on recommendation of the Audit and Risk Management Committee, approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2015-16 at fees of ₹ 600,000/- plus out of pocket expenses and service tax as applicable for conducting the audit of the cost accounting records of all the manufacturing facilities of the Company.

The resolution contained in Item no. 5 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2015-16.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 5 of the Notice.

The Board commends this resolution for your approval.

Item No. 6

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 28th January, 2015, revised the terms of appointment of Dr. Dutt as Whole-time Director of the Company, to be designated as Director (R & D), for a period of three years effective from 1st January, 2015, subject to approval of the members. Earlier, his tenure was extended for two years till 31st December, 2016 as per the members resolution passed at the AGM held on 30th July, 2014.

Dr. Chaitanya Dutt, has been working as Director (R & D) of the Company. Dr. Dutt is one of the key functionaries in the top management team and has been associated with the Company for more than three decades. He holds MD in Medicine and had practiced as a consulting physician before joining the Company in 1982.

Dr. Dutt leads the R & D initiatives and Company's foray in the areas of discovery and product development, in addition to quality and regulatory matters.

R & D is one of the key drivers of growth for the Company, particularly in developed and regulated markets such as US, Europe etc. The tightening of regulatory requirements, the IPR regime and the severe stress which it is undergoing and the specific issues arising there from, have significantly increased the criticality of the R & D and quality assurance functions. The Company has been able to maintain its competitive strength on account of critical inputs provided by these functional areas. In view of this, it was thought prudent to continue to avail the benefit of the vast experience and knowledge of Dr. Dutt.

Dr. Chaitanya Dutt holds 800 shares of the Company.

This ordinary resolution, accordingly, seeks members' approval for appointment of Dr. Chaitanya Dutt as Director (R & D) of the Company for a period of three years effective from 1st January, 2015 on such remuneration and other terms and conditions as mentioned in the said resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Dr. Dutt, are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 6 of the Notice.

The copies of relevant resolutions of the Board with respect to the re-appointment is available for inspection by members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting.

The Board commends this resolution for your approval.

Item No. 7

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, your Board has at their meeting held on 15th May, 2015 recommended the appointment of Smt. Renu Challu as an Independent Director (ID) on the Board of the Company for a term of three (3) consecutive years effective from 27th July, 2015 to 26th July, 2018.

As per Schedule IV of the Companies Act, 2013 and the rules made thereunder ("the Act"), the appointment of IDs shall be approved at the meeting of the members. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of IDs will not be liable to determination by retirement of directors by rotation at the AGM.

The Company has received a Notice in writing under the provisions of Section 160 of the Act from a member along with deposit of ₹ 1,00,000/- proposing the candidature of Smt. Renu Challu for the office of ID.

Smt. Renu Challu has given her consent and the declaration regarding her independence in terms of the provisions of the Act.

Smt. Renu Challu, aged 63 years, is a Gold Medalist in MA Economics and is an Associate of the Indian Institute of Bankers. She has served in the State Bank of India Group for about 39 years and her stellar career culminated in her being the Deputy Managing Director of Corporate Strategy and New Businesses. She is also a Director on the Board of SMS Infrastructure Limited.

Some of her path breaking initiatives in her entire career of more than 39 years are captured below:

- (a) Identified, developed and implemented new business areas as member of the Corporate Management Committee of SBI
- (b) Recorded the highest ROE amongst large banks in India as on March 2011 through technology and BPR initiatives, HR development programmes, employee motivation, repositioning of the Bank through rebranding exercise and innovative outdoor visibility
- (c) At SBI DFHI, launched the 1st country-wide web based platform with two way quotes for liquid scrips, to enable retail customers to trade in G-Secs
- (d) At SBI, Bhopal, launched Cyber Treasury with Madhya Pradesh and Chhattisgarh Governments (through e-challans), which has been replicated by other State Govts.
- (e) At SBI, Lucknow, reduced turnaround time to 3 weeks for credit sanctions
- (f) At SBI Corporate Centre, taken technology initiatives like the 1st one million online ATM cards, internet banking, Maestro Debit Card, etc.

While focusing on such path breaking initiatives, she have continued to played an inestimable role in the illustrious growth of the organisations she worked with. Various awards and recognitions were received by State Bank of Hyderabad under her leadership.

Sr. No.	Directorship in Companies / Organizations (excluding alternate directorship)	Name of Committees
1.	Reliance Life Insurance Company Limited	Audit Committee – Member
2.	Fag Bearings India Limited	Audit Committee – Chairman Stakeholders Relationship Committee – Chairman
3.	Minda Industries Limited	Audit Committee – Member
4.	Fullerton India Credit Company Limited	-
5.	NCC Limited	-
6.	Graphite India Limited	-
7.	LT Foods Limited	-
8.	Torrent Cables Limited	-
9.	SMS Infrastructure Limited	-

In the opinion of the Board, she fulfills the conditions specified in the Act for her appointment as ID of the Company.

Your Board considers that the Company will benefit from Smt. Renu Challu's valuable, experience, knowledge and counsel.

The resolution contained in Item no. 7 of the accompanying Notice, accordingly, seek members' approval for appointment of Smt. Renu Challu as ID on the Board of the Company on the terms and conditions as specified in the draft letter of appointment.

Copy of the draft letter of appointment of Smt. Renu Challu as ID setting out the terms and conditions is available for inspection by the members at the registered office of the Company during working hours on any working day till the date of this AGM.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Smt. Challu, are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 7 of the Notice.

The Board commends this resolution for your approval.

Item No. 8

The members of the Company at their 38th AGM held on 30th July, 2011 approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for a period of five years commencing from 1st April, 2010.

Section 197 of the Companies Act, 2013 provides, inter alia, remuneration to its directors (other than the managing director or whole time director), by way of commission, if the Company by resolution authorize such payments. Clause 49 of the Listing Agreement also provides that all fees / commission paid to Non-Executive Directors shall be fixed by the Board and shall require the previous approval of the members. In this context, it is proposed to take this special resolution for payment of commission to the Non-Executive Directors for a period of 5 years effective from 1st April, 2015 as may be determined by the Board or its Committee authorised for the purpose for each financial year at a rate such that the total remuneration does not exceed percentage limits of the net profit of the Company as specified in the Companies Act, 2013 (presently 1% of the net profit), calculated in accordance with Section 197 read with Section 198 and any other applicable provisions of the Companies Act, 2013.

The payment of commission would be in addition to the sitting fees payable for attending meeting of the Board and Committees thereof, if any.

Further, in case of inadequacy of profits of the Company for any financial year, the Non-Executive Directors shall be paid such remuneration as approved by the Board or its Committee authorised for the purpose for such financial year, subject to such approval as may be necessary.

The Board commends this resolution for your approval.

The Managing Director, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice. The Non-Executive Directors may be deemed to be concerned or interested in the Special resolution set out at Item No. 8 of the Notice to the extent of the remuneration that may be received by them.

Item No. 9

The Articles of Association ("AoA") of the Company as presently is in force since 1989. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 and the rules made thereunder ("the Act"). The Act is now largely in force.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The members' attention is invited to certain salient features of the proposed AoA of the Company viz:

- a) The proposed AoA is based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.
- b) Existing articles have been streamlined and aligned with the Act.
- c) The statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included.

- d) Provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the proposed AoA as they would only lead to duplication – their non-inclusion makes the proposed AoA crisp, concise and clear and aids ease of reading and understanding.

None of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

Registered Office:
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(CIN: L24230GJ1972PLC002126)
Phone: + 91 79 26585090 / 26583060 Fax: + 91 26582100
Website: www.torrentpharma.com
Email Id: investorservices@torrentpharma.com

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

DIRECTORS' REPORT

To
The Shareholders

The Directors have the pleasure of presenting the Forty Second Annual Report of your Company together with the audited accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

The summary of standalone (Company) and consolidated (Company and its subsidiaries) operating results for the year and appropriation of divisible profits is given below:

(₹ in crores except per share data)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sales and Operating Income	3475	3365	4653	4185
Profit before Depreciation, Finance Cost, Exceptional Items & Tax	1149	1096	1306	990
Less Depreciation	180	79	191	87
Less Finance Cost	173	58	175	59
Profit before Exceptional Items & Tax	796	958	940	844
Less Exceptional Items	-	-	-	-
Less Tax Expense	173	196	189	180
Less Minority Interest	-	-	-	-
Net Profit for the Year	623	762	751	664
Balance brought forward	1026	538	707	317
Distributable Profits	1649	1300	1458	981
Appropriated as under:				
Transfer to General Reserve	63	76	63	76
Interim Dividend	85	85	85	85
Proposed Final Dividend	106	85	106	85
Tax on Distributed Profits for Interim Dividend	17	14	17	14
Tax on Distributed Profits for Final Dividend	21	14	21	14
Balance carried forward	1358	1026	1167	707
Earnings per Share (₹ per share)	36.83	45.05	44.38	39.23

Standalone Operating Results

The sales and operating income increased to ₹ 3475 crores from ₹ 3365 crores in the previous year yielding a growth of 3.27%. The operating profit for the year under review increased to ₹ 1149 crores as against ₹ 1096 crores in the previous year registering a growth of 4.83%. The profits after tax for the year under review decreased to ₹ 623 crores as against ₹ 762 crores in the previous year registering a degrowth of 18.24%.

Consolidated Operating Results

The consolidated sales and operating income increased to ₹ 4653 crores from ₹ 4185 crores in the previous year yielding a growth of 11.18%. The consolidated operating profit for the year was ₹ 1306 crores as against ₹ 990 crores in the previous year registering an increase of 31.92%. The consolidated net profit increased to ₹ 751 crores from ₹ 664 crores in the previous year registering a growth of 13.10%.

Management Discussion and Analysis (MDA)

The detailed analysis of the operating performance of the Company for the year, the state of affairs and the key changes in the operating environment have been included in the Management Discussion and Analysis section which forms a part of the Annual Report.

Material Changes, Transactions and Commitments

(i) During the year under review

During the year under review, the Company has completed the acquisition of the identified domestic branded formulation business of Elder Pharmaceuticals Limited in India and Nepal. The total consideration for this acquisition on a slump sale basis was ₹ 2004 crores on a debt-free, cash-free basis. The definitive agreement for this acquisition was signed on 13th December, 2013 and after the satisfactory completion of all terms & conditions and receipt of all necessary statutory & other approvals, the acquisition was completed on 29th June, 2014. This acquisition has strengthened the Company's position in Women health, Pain management, Wound care and Neutraceuticals therapeutic segments.

During the year under review, no significant or material order was passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

There is no change in the nature of the business of the Company for the year under review.

(ii) After the end of the year under review

The Company has signed a share purchase agreement to acquire 100% stake in Zyg Pharma Private Limited, a company engaged in manufacturing various dermatological formulations like creams, ointments, gels, lotions, solutions.

APPROPRIATIONS

Dividend

As a policy, the Company endeavours to distribute 30% of its annual consolidated net profit after tax as dividend in one or more tranches. The dividend payout for the year under review has been formulated in accordance with such policy of the Company.

Normal annual dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 amounting to ₹ 84.61 crores was paid to the shareholders as interim dividend during the year under review. The tax on distributed profits was ₹ 16.92 crores making the aggregate distribution to ₹ 101.53 crores. Further, the Board has recommended a special dividend as final dividend of ₹ 6.25 per equity share amounting to ₹ 105.76 crores for approval to shareholders at the 42nd Annual General Meeting of the Company. Total distribution including tax of ₹ 21.06 crores works out to be ₹ 126.82 crores towards such final dividend. Aggregate dividend for the year under review works out to be ₹ 11.25 (previous year ₹ 10.00) per equity share. The aggregate distribution amount including tax on distributed profits works out to be ₹ 228.44 crores (previous year ₹ 197.98 crores). These dividends are tax free in the hands of the shareholders.

Transfer to Reserves

The Board has recommended a transfer of ₹ 63 crores to the general reserve and an amount of ₹ 1358 crores is retained as surplus in the Statement of Profit and Loss of Standalone financials.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2015 is ₹ 84.62 crores. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

FINANCE

Deposits

During the year under review, the Company has neither accepted nor renewed any deposits. None of the deposits earlier issued by the Company remained unpaid or unclaimed as on 31st March, 2015.

Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments by Company under the provisions of Section 186 of the Companies Act, 2013, during the year under review, are provided in Note 24 (b) and 25 to the Financial Statements.

Contracts or Arrangements with Related Parties

All Related Party transactions that were entered during the year under review were in ordinary course of business and were on arm's length basis. Pursuant to Clause 49 of the Listing Agreement and applicable provisions of the Companies Act, 2013, the Company has formulated Related Party Policy for dealing with Related Party transactions. Details of the said Policy are provided under the Corporate Governance Report of this Annual Report. In accordance with the Related Party Policy of the Company and pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of material contracts and arrangements entered between the Company and the Related Parties are annexed herewith as **Annexure - A**.

Internal Financial Control (IFC) System

As per the provisions of the Companies Act, 2013, the Directors have the responsibility for ensuring that the company has implemented robust system / framework for IFCs to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls to enable the Directors to meet with their responsibility.

The Company has in place a sound financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records and
- The timely preparation of reliable financial information.

A formal documented IFC framework has been implemented by the Company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

AWARDS AND RECOGNITION

CNBC TV18 recognised Torrent Pharmaceuticals Limited as the "Most Promising Company of the Year" at their 10th India Business Leader Awards 2014.

HUMAN RESOURCES

At the core, our underlying belief is that Human Resources Development today is about nurturing its human resource and leveraging the human capital towards the achievement of business goals and the Company is completely committed towards the development of its people and their well-being.

During the year our focus was the successful integration of Torrent-Elder human resources which includes not only the manpower integration but also the cultural integration of both the entities. The Company's conviction towards its core values also helped it take ahead initiatives to reinforce health and safety of employees and transparency in business processes. One major step was towards building awareness and reinforcement of already existing Whistle Blower Policy, to communicate all employees that the Company supports & encourages reporting of any wrong / unethical practices which is a breach of our "Code of Business Conduct".

In continuation with gender diversity initiatives taken last year, Company constantly endeavours to encourage employment of women as well as create a conducive and safe working environment for them. On the industrial front as well, the Company continued to strengthen cordial relations and is well poised to combat challenges on the Industrial Relations front.

The Company has a diverse workforce of 10044 employees as on 31st March, 2015 vis-a-vis 8628 as on 31st March 2014. Moving ahead Company's focus will continue to ensure recruitment of right talent, develop them and drive them towards the common business goals.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Concern for Society and Environment is a deeply rooted core value of the Company. As part of its CSR, the Company makes concentrated efforts in the fields of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern.

In line with the provisions of the Companies Act, 2013 and rules made thereunder, a CSR Committee has been formed by the Board of Directors. The Composition of the CSR Committee is as under:

Name of Director	Category of Directorship
Shri Pradeep Bhargava, Chairperson	Independent Director
Shri Markand Bhatt ^{\$\$}	Non- Executive Director
Dr. Chaitanya Dutt	Whole-time Director
Smt. Bhavna Doshi ^{^^}	Independent Director

(\$\$)Ceased to be a member of the Committee effective from 30th July, 2014.

(^^)Appointed as a member of the Committee with effect from 30th July, 2014.

The CSR Policy formulated by the CSR Committee may be accessed at the below web link:

<http://www.torrentpharma.com/pdf/csrapolicy.pdf>

During FY 2014-15, the following CSR initiatives were undertaken at the Group level:

- The Group, having decided to establish a landmark healthcare institute in the area of paediatric care, has formed Tornascent Care Institute (a company formed under Section 8 of Companies Act, 2013) and contributed alongwith Torrent Power Limited ₹ 12.00 crores towards its initial corpus.
- Based on the survey conducted during previous year, the Group initiated a Health Care, Sanitation and Hygiene related programme in urban slum areas of Sabarmati ward, Ahmedabad.
- Shiksha Setu - teaching and learning enhancement programme, in its fourth year, included more than 6500 students and 230 teachers as direct beneficiaries. Emphasis on capacity building and sustainability resulted into teachers taking lead as advanced trainers.
- The construction of new High school building with state of the art facility for higher studies at Chhapi village in Gujarat is nearing completion. The students from nearby villages will also be benefitted.

The Annual Report on CSR Activities is given as **Annexure - B** to this Report which indicates that the Company has spent ₹ 15.01 crores (more than 2% of the average net profits of last three financial years) in this regard.

Additionally, the following also form part of the CSR initiatives undertaken by the Company during FY 2014-15:

- The Company continued activities towards Sanitation Health Education at "Sharda Mandir" Primary School at Indrad village, which focused on importance of personal hygiene.
- Conducted various programs among the students at Middle School at Bhud, Baddi through employee volunteers for their development and advancement.

The Company had also made donations to various organizations involved in education, healthcare, providing relief to disaster victims and promotion of social welfare, harmony and nationalism.

ENVIRONMENT, HEALTH & SAFETY

The Health, Safety & Environmental Policy and its procedures are implemented and monitored throughout the FY 2014-15 at all locations. The Company has continued with its Integrated Management System with ISO 9001, ISO 14001 and OHSAS 18001 for occupational health, safety & environment management system. The Company has conducted various events on safety & environmental awareness. As a pro-active measure, Company has organized a comprehensive training through certified ISO auditor on amendments being made in ISO 9001 and ISO 14001 for its successful compliance in near future.

INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company also has appropriate liability insurance covers particularly for product liability and clinical trials. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

BUSINESS RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management process is appropriately handled by functional heads / business process owners. The role of Audit Committee was expanded during the year to include the Risk Management and minimization process and the committee was re-designated as Audit and Risk Management Committee (ARMC). The details of ARMC are provided under the Corporate Governance Report.

The key risks which can affect the profitability of the Company are identified by the Company in the Management and Discussion Analysis section of the Annual Report. As on date, the Company do not envisage risks which could threaten the existence of the Company.

SUBSIDIARIES

As of 31st March, 2015, the Company has 17 subsidiaries, out of which 4 are step down subsidiaries. All the said subsidiaries of the Company remained operational during the year under review.

Further, Tornascent Care Institute, a Section 8 company, under the Companies Act, 2013, was promoted and incorporated jointly with Torrent Power Limited during the year as joint venture company. A statement containing salient features of financial statements of each subsidiary and the said joint venture, including its financial position and performance during the year under review, is provided under Note 35(a) of the Consolidated Financial Statements.

In addition to the above, the performance and future outlook of the subsidiaries has been discussed under the Management Discussion and Analysis Section of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Board of Directors

The Board of Directors of the Company is led by the Executive Chairman and comprises eight other Directors as on 31st March 2015, including one Whole-time Director, five Independent Directors and two Non-Executive Directors (other than Independent Directors).

All the Independent Directors of the Company have furnished declarations that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Listing Agreement with Stock Exchanges.

During the year under review, Dr. Leena Srivastava resigned from the Board with effect from 26th April, 2014. Shri Sudhir Mehta relinquished his position as the Chairman of the Board and at the request of the Board, accepted the position of Chairman Emeritus, effective from the date of Annual General Meeting of the Company held on 30th July, 2014. During the said meeting, the members also approved the appointment of Shri Samir Mehta as Executive Chairman for a period of 5 years from the date of meeting, the re-appointment of Dr. Chaitanya Dutt as Whole-time Director for a period of 2 years up to 31st December, 2016, the appointment of Shri Shailesh Haribhakti, Shri Haigreve Khaitan, Shri Pradeep Bhargava, Prof. Ashish Nanda and Smt. Bhavna Doshi as Independent Directors on the Board.

Smt. Bhavna Doshi tendered her resignation effective from the conclusion of the Board Meeting held on 15th May, 2015.

The Board at its meeting held on 28th January, 2015 revised the tenure of appointment of Dr. Chaitanya Dutt till 31st December, 2017 alongwith other terms of his appointment, subject to the approval of the shareholders. The Board at its meeting held on 15th May, 2015 has also recommended to the shareholders the appointment of Smt. Renu Challu as Independent Director for a period of 3 years from the date of the ensuing Annual General Meeting.

Shri Markand Bhatt, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The brief resumes and other relevant documents of the Directors being appointed / re-appointed are given in the Explanatory Statement to the Notice convening the Annual General Meeting, for your perusal.

(b) Meetings of Board of Directors

Regular meetings of the Board are held to discuss and decide on various business strategies, policies and other issues. A calendar of Board / Committee meetings for the year is prepared and circulated to the Directors well in advance to enable them to plan their schedule for effective participation in the meetings. During the year, four meetings of the Board of Directors

were convened and held on 9th May, 2014, 30th July, 2014, 5th November, 2014 and 28th January, 2015. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

(c) Committees of the Board of Directors

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31st March, 2015:

- (i) Audit and Risk Management Committee
- (ii) Securities Transfer and Stakeholders Relationship Committee
- (iii) Nomination and Remuneration Committee
- (iv) Corporate Social Responsibility Committee

The details with respect to the aforesaid Committees forms part of the Corporate Governance Report.

(d) Appointment of Directors

- (i) Criteria for Appointment of Directors

The Board of Directors of the Company have identified following criteria for determining qualification, positive attributes, independence of Directors:

- (1) Proposed Director ("Person") shall meet all statutory requirements and should;

- Possess the highest ethics, integrity and values
- Not have direct / indirect conflict with present or potential business / operations of the Company
- Have the balance and maturity of judgment
- Be willing to devote sufficient time and energy
- Have demonstrated high level of leadership and vision, and the ability to articulate a clear direction for an organization
- Have relevant experience (In exceptional circumstances, specialization / expertise in unrelated areas may also be considered)
- Have appropriate comprehension to understand or be able to acquire that understanding
 - ◆ Relating to Corporate Functioning
 - ◆ Involved in scale, complexity of business and specific market and environment factors affecting the functioning of the Company

- (2) The appointment shall be in compliance with the Board Diversity Policy of the Company.

- (ii) Process for Identification / Appointment of Directors

- Board members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him to the Nomination and Remuneration Committee (NRC).
- Chairman of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- NRC will process the matter and recommend such proposal to the Board.

Board will consider such proposal on merit and decide suitably.

(e) Familiarisation Programme of Independent Directors

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and the Pharma Industry as a whole. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at http://www.torrentpharma.com/pdf/bod/Familiarisation_Program_of_Independent_Directors.pdf

(f) Board Evaluation

The Nomination and Remuneration Committee (NRC) has formulated and approved the criteria and process of evaluation of the Board, etc., as follows:

Evaluation Criteria

	Criteria
Independent Directors	1. Attendance (Captured from the records of meetings) 2. Contribution at meetings 3. Guidance / support to management outside Board / Committee meetings
Committees	1. Degree of fulfillment of key responsibilities 2. Adequacy of committee composition 3. Effectiveness of meetings 4. Committee dynamics 5. Quality of relationship of the committee with the Board and the management
Board	1. Degree of fulfillment of key responsibilities 2. Board structure and composition 3. Establishment and delineation of responsibilities to committees 4. Effectiveness of Board processes, information and functioning 5. Board culture and dynamics 6. Quality of relationship between Board and the Management 7. Efficacy of communication with external stakeholders
Chairman	1. Attendance 2. Contribution at meetings 3. Guidance / support to management outside Board / committee meetings 4. Effectiveness as Executive Chairman 5. The strategy and vision for the Company including compliance with laws, ethics and values 6. Effectiveness as CEO of the Company

Evaluation Process

The Evaluation of Board, its Committees and individual Directors was carried out as per process and criteria laid down by the Board of Directors based on the recommendation of the NRC.

The obtaining and consolidation of feedback from all Directors for the evaluation of the Board, its Committees and Non-Independent Directors, was co-ordinated by the Chairman of Independent Directors who provided the collated feedback to the Chairman, which was also circulated to all the Directors, as applicable. The process of evaluation of the Independent Directors was co-ordinated by the Chairman of the Company.

Based on this, Chairman of the Company briefed the Board, the Committees and each of the individual Directors, as applicable.

(g) Wholetime Key Managerial Personnel

Shri Samir Mehta, Executive Chairman, Shri Ashok Modi, Executive Director & Chief Financial Officer (CFO) and Shri Mahesh Agrawal, Company Secretary were appointed as wholetime Key Managerial Personnel of the Company during the year under review.

(h) Directors' Responsibility Statement

In terms of Section 134 (3)(c) of the Companies Act, 2013, in relation to financial statements of the Company for the year ended 31st March, 2015, the Board of Directors state that:

- the applicable Accounting Standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- reasonable and prudent accounting policies have been used in preparation of the financial statements and that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit for the year ended on that date;

- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the financial statements have been prepared on a going concern basis;
- v. proper internal financial controls were in place and were adequate and operating effectively; and
- vi. proper systems to ensure compliance with the provisions of applicable laws were in place and were adequate and operating effectively.

REMUNERATION

(a) Remuneration Policy

The Company has formulated following policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company. The salient features of this policy are as under:

1. Components of Remuneration
 - 1.1. Fixed Pay comprising of Basic Salary, HRA, Car Allowance (applicable to General Manager and above employees), Conveyance Allowances / Reimbursement, Company's Contribution to Provident Fund, Superannuation Fund, Gratuity, etc.
 - 1.2. Variable Pay which is either in the form of:
 - (i) Commission to Managing Directors
 - (ii) Commission to Whole-time Directors for special one-time reward
 - (iii) Performance Based Pay to General Managers and above (upto 20% of Cost to Company (CTC)), based on unit performance grades
 - (iv) One time reward for identified employees, given in exceptional cases to employees who undertake tasks which go beyond their normal call of duties and play a crucial role in success of an event.
 - 1.3. Retention Pay: In case where stability is an issue, part of the CTC is kept as retention pay which is being paid after 3 years or more.
2. Annual Appraisal Process:
 - 2.1. Annual Appraisals are conducted following which annual increments and promotions in deserving cases are decided once in a year based on:
 - (i) Employees self-assessment
 - (ii) Assessment of Immediate Superior and
 - (iii) Assessment of Head of Department.
 - 2.2. The increments as decided for a particular financial year are paid during the subsequent financial year, e.g. the performance appraisal of an employee for the FY 2013-14 is conducted in FY 2014-15 and his salary rise in FY 2014-15 reflects his performance for FY 2013-14.
 - 2.3. Performance Based Pay is also based on annual appraisal process.
 - 2.4. Annual increment consist of
 - (i) Economic Rise: Based on All India Consumer Price Index published by the Government of India or internal survey wherein inflation on commonly used items is calculated
 - (ii) Performance Rise: Based on Industry and overall business scenario and factoring the following aspects:
 - 1) Company's performance vis-à-vis the industry
 - 2) Unit Performance* (Grades ranging from A+ to C-. Higher the grades, higher the rating)
 - 3) Individual Performance / track record including care for health / balance between quality of work and family life.

*Unit Performance is carried out based on various financial and non-financial parameters (also used for

working out overall ceiling at unit level and performance based pay) such as

- a) Comparison of Company's Revenue and Profit growth with competition
- b) Employee Cost
- c) Return on Equity
- d) Production, Quality and Regulatory compliance.

Unit: Domestic and International Operations, Manufacturing, Research & Development and Corporate.

2.5. Promotion Rise (Other than Managing Directors).

(b) Criteria for Remuneration to Non Executive Directors

The payment of commission to the Directors of the Company who are neither in the whole time employment nor managing director(s) (NEDs) is approved by the shareholders of the Company at the Annual General Meeting of the Company on periodic basis. The Board or its committee specifically authorised for this purpose shall, in accordance with the shareholders approval, determine the manner and extent upto which the commission shall be paid to the NEDs. The commission shall be determined based on the participation of the Directors in the meetings of Board and / or committees thereof and other affairs of the Company. In furtherance to the above, the following criteria for remuneration of Independent Directors have been decided as on date:

1. Sitting Fees of ₹ 1 lac for each meeting of the Board or any committee thereof, attended by them.
2. Commission on the basis of participation in the meetings of Board and Audit and Risk Management Committee at the rate of:
 - (i) ₹ 3,00,000/- per Board Meeting;
 - (ii) ₹ 1,00,000/- per Audit and Risk Management Committee Meeting.
3. Payment of Commission to be made annually on determination of profits.
4. Commission as per above criteria is subject to the condition that total commission paid to all Directors (other than Managing Director or Whole-time director) including service tax thereon shall not exceed the limit of 1% of net profit in a financial year as laid down under the provisions of Section 197(1) of the Companies Act, 2013 read with Section 198 of the said Act.
5. Independent Directors will be reimbursed for all the expenses incurred for attending any meeting of the Board or committees thereof, and which may arise from performance of any special assignments given by the Board.

(c) Information as required pursuant to Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name of the Director	Ratio of the Remuneration of Director to Median Remuneration
1.	Shri Sudhir Mehta	162.34
2.	Shri Samir Mehta	325.17 ^{\$}
3.	Shri Markand Bhatt	*
4.	Shri Shailesh Haribhakti	9.42
5.	Shri Haigreave Khaitan	6.82
6.	Shri Pradeep Bhargava	11.04
7.	Smt. Bhavna Doshi	5.52
8.	Prof. Ashish Nanda	5.19
9.	Dr. Chaitanya Dutt	154.80 ^{**\$}

\$ Remuneration does not include premium for group personal accident and group mediclaim policy.

* No remuneration has been paid during the year 2014-15 and hence ratio has not been calculated.

** The ratio is 124.12 excluding the arrears of salary and leave encashment pertaining to accumulated leave of earlier years of Dr. Chaitanya Dutt.

2. the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary:

Sr. No.	Name of the Director / Key Managerial Personnel	Designation	% increase in Remuneration	
1.	Shri Sudhir Mehta	Chairman Emeritus	(33.33)	
2.	Shri Samir Mehta*	Executive Chairman	33.32	(1)
3.	Shri Shailesh Haribhakti [§]	Independent Director	3.57	
4.	Shri Haigreve Khaitan [§]	Independent Director	16.67	
5.	Shri Pradeep Bhargava [§]	Independent Director	36.00	
6.	Smt. Bhavna Doshi [§]	Independent Director	–	(2)
7.	Prof. Ashish Nanda [§]	Independent Director	–	(2)
8.	Dr. Chaitanya Dutt*	Whole-time Director	74.78	(3)
9.	Shri Ashok Modi	Chief Financial Officer	41.49	(4)
10.	Shri Mahesh Agrawal	Company Secretary	43.14	(5)

No remuneration has been paid in FY 2013-14 and 2014-15 to Shri Markand Bhatt and hence % increase has not been calculated

- (1) The rise of 33.32% in case of Shri Samir Mehta should be viewed considering the fact that the rise in the overall remuneration of the Company was 18.03% and 16.65% for the years 2013-14 & 2014-15 respectively.
- (2) Have been appointed in FY 2014-15, hence % increase has not been calculated.
- (3) The percentage increase in his remuneration is 23.00% excluding the arrears of salary and leave encashment pertaining to accumulated leave of earlier years.
- (4) The percentage increase in his remuneration is 20.00% excluding one time reward, performance pay and leave encashment pertaining to accumulated leave of earlier years.
- (5) The percentage increase in his remuneration is 20.00% excluding one time reward, performance pay and leave encashment pertaining to accumulated leave of earlier years.

* Remuneration does not include premium for group personal accident and group mediclaim policy.

§ Remuneration of Independent Directors is based on the presence and meetings as well as their membership in committees of Board of Directors.

3. The percentage increase in the median remuneration of employees in the financial year under review is 14.33%. The unionised employees whose remuneration is determined based on negotiations have been excluded for this purpose.
4. The Company has 10044 employees on the rolls of Company as on 31st March, 2015.
5. The consolidated profit before tax of the Company increased by 11.39 % for the year under reference while it decreased by 16.95% on a standalone basis. For the same period the overall increase in remuneration of employees was 16.65%. However, it may please be noted that the increase in remuneration to employees in the year was given based on the performance of the previous year i.e. 2013-14. Of course, any increase has to be calibrated based on the individual merit and the economical situation prevailing in the market such as inflation, availability of the required talent, the status of the relevant industry, etc.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
The rise in the remuneration of Shri Samir Mehta by 33.32% and of Dr. Chaitanya Dutt of 23.00% (adjusted), is to be viewed in the context of the factors mentioned under point 8 below. The increase in remuneration of the Chief Financial Officer and the Company Secretary was in line with the general % increase for all employees of the Company.

7. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Market Capitalisation	BSE	NSE
31 st March, 2015	19644.22 Crores (@ 1160.85 per share)	19606.14 Crores (@ 1158.60 per share)
31 st March, 2014	8861.35 Crores (@ 523.65 per share)	8871.50 Crores (@ 524.25 per share)
P/E Ratio	BSE	NSE
31 st March, 2015	31.52 times (1160.85 / 36.83)	31.46 times (1158.60 / 36.83)
31 st March, 2014	11.62 Times (523.65 / 45.05)	11.64 times (524.25 / 45.05)
Percentage increase in the market price of the shares of the Company in comparison with the last public offer*	9676	

* the last public offer prices has been adjusted for bonus and stock split

8. The percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 16.65%.

As mentioned earlier, in real terms the rise in remuneration of Dr. Chaitanya Dutt is 23.00% while the overall rise for the company is 16.65%. Dr. Dutt leads the R&D initiatives and Company's foray in the areas of discovery and product development. The Company has been able to maintain its competitive strength on account of critical inputs provided by these functional areas.

The rise of 33.32% in case of Shri Samir Mehta should be viewed considering that the fact that the rise in the overall remuneration of the Company was 18.03% and 16.65% for the years 2013-14 & 2014-15 respectively. The pharma sector has been witnessing interesting scenario. On the one hand there are enormous challenges such as the increase in competitive scenario, regulatory activism of the government authorities, enhanced scrutiny of operations by regulators, etc., while on the other hand the companies which are able to provide effective leadership together with strategic initiatives are able to harness enormous opportunities on the consolidation, acquisition and growth fronts. This is apparent from the Company's sustained and consistent current performance and future growth opportunities, which but for the dynamic leadership of the Executive Chairman would not have been possible.

9. The variable component of remuneration is commission which is paid to Whole-time Directors / Managing Directors. Such commission is paid in lieu of full or part of their annual remuneration. For Managing Directors, the amount of commission is generally based on the performance of the Company whereas for the Whole-time Directors, who are generally entitled to salary and perquisites, the amount of commission is determined based on any specific recognizable contribution / event / happening in the relevant financial year for which the concerned Whole-time Director is principally responsible as well as instrumental.
10. There were no employees who are not directors but receive remuneration in excess of the highest paid director during the year.
11. The remuneration paid is as per the remuneration policy of the Company.

(d) Remuneration to Managerial Personnel

The details of remuneration paid to the Managerial Personnel forms part of the Corporate Governance Report.

(e) Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure - C**.

AUDITORS

(a) Statutory Auditors

The term of appointment of Deloitte Haskins & Sells, Ahmedabad (Firm Registration No. 117365W), Statutory Auditors of the Company will expire at the ensuing Annual General Meeting. The Company has received a certificate from them about their eligibility for appointment as Statutory Auditors in accordance with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 read with third proviso of Section 139(2) of the Companies Act, 2013. The Board has recommended to the shareholders their appointment for the FY 2015-16 at the ensuing Annual General Meeting.

(b) Cost Auditors

The Company has appointed Kirit Mehta & Co., Cost Accountants, Mumbai (Firm Registration No. 000353) as the Cost Auditor of the Company for audit of cost accounting records of its activities (Formulation & Bulk Drugs activities) for the financial year ended 31st March, 2015. Further, due date of filing the Cost Audit Report to the Central Government for the financial year ended 31st March, 2014 was 27th September, 2014 and the same was filed on 22nd September, 2014. The Board of Directors has, on recommendation of the Audit and Risk Management Committee, at its meeting held on 15th May, 2015 appointed Kirit Mehta & Co. as the Cost Auditor of the Company for audit of cost accounting records of its activities (Formulation & Bulk Drugs activities) for the FY 2015-16 and has also fixed the remuneration for audit of cost accounting records for the said financial year. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, it is proposed by the Board to recommend the remuneration approved in its meeting, for ratification by the shareholders in the ensuing Annual General Meeting of the Company.

(c) Secretarial Auditors

The Board, pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, had appointed M. C. Gupta & Co., Company Secretaries, as the Secretarial Auditors of the Company to conduct the secretarial audit as per the provisions of the said Act for the FY 2014-15 (Apr-14 to Mar-15).

M. C. Gupta & Co., Company Secretaries have carried out the Secretarial Audit of the Company for FY 2014-15 and the Report of Secretarial Auditors in Form MR - 3, is annexed with this Report as **Annexure - D**. There were no qualification / observations in the report.

POLICIES

The Company has formulated and implemented various policies as required by the provisions of law and other regulations. Following is the brief of the important policies adopted by the Company:

(a) Vigil Mechanism

The Company has adopted a Whistle Blower Policy through which the Company encourages employees bring to the attention of Senior Management, including Audit and Risk Management Committee, any unethical behaviour and improper practices and wrongful conduct taking place in the Company. The brief details of such vigil mechanism forms part of the Corporate Governance Report.

(b) Policy on Protection of Women against Sexual Harassment at Workplace

In line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a "Policy on protection of women against sexual harassment at work place" with effect from 1st March, 2014 by replacing the old policy earlier adopted by the Company. The brief details of the said policy and complaints received, if any, forms part of the Corporate Governance Report of this Annual Report.

(c) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In pursuance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Listing Agreement, the Company adopted the Code of Conduct to regulate, monitor and report trading by the employees, insiders and connected person(s), in order to protect investors' interest as approved by the Board in their meeting held on 15th May, 2015. This Code replaces the existing Code of Conduct for Prevention of Insider Trading adopted on 1st April, 2009 by the Company. The details of the said Code of Conduct forms part of the Corporate Governance Report.

(d) Conviction for Safety Policy

The 'Conviction for Safety Policy' was implemented by the Company during the FY 2012-13. The said policy was implemented with an objective to create more awareness at the workplace, about safety and compliance to safety norms, so as to avoid accidents at workplace. The policy also provides for substantial compensation to the personnel and their families, who have been adversely affected by accidents. The Policy has been very successful in creating awareness about the safety at work place and compliances of safety norms.

(e) Code of Business Conduct

The Board of Directors had revised the Code of Business Conduct in line with the provisions of the Companies Act, 2013 in their meeting held on 5th November, 2014. The said code has been posted on the website of the Company.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a separate Report on Corporate Governance forms part of the Annual Report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, forms part of this report as **Annexure - E**.

EXTRACTS OF ANNUAL RETURN

As required under the provisions of sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of annual return in Form No. MGT-9 forms part of this report as **Annexure - F**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

A statement containing the necessary information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure - G**.

APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors appreciate the trust reposed by the medical fraternity and patients in the Company and look forward to their continued patronage. The Directors are also grateful and pleased to place on record their appreciation for the excellent support, guidance and cooperation extended by the Government of India, Government of Gujarat, Government of Himachal Pradesh, Government of Sikkim, Central and State Government Bodies and Authorities, Financial Institutions and Banks. The Board also expresses its appreciation of the understanding and support extended by the shareholders and the commitment shown by the employees of the Company.

For and on behalf of the Board of Directors

Ahmedabad
15th May, 2015

Samir Mehta
Executive Chairman

ANNEXURE - A TO THE DIRECTORS' REPORT

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not on arm's length basis
 - (a) Name(s) of the related party and nature of relationship – **NIL**
 - (b) Nature of contracts / arrangements / transactions
 - (c) Duration of the contracts / arrangements / transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
2. Details of material contracts or arrangements or transactions at arm's length basis*
 - (a) Name(s) of the related party and nature of relationship
Name - Torrent Pharma Inc., USA (TPI)
Nature –
 - i. Supply of pharmaceutical products by the Company to TPI
 - ii. Liaison and regulatory support by TPI to Company
 - (b) Nature of contracts / arrangements / transactions
The Company and TPI has entered into following contracts:
 - i. Supply of pharmaceutical products by the Company to TPI
 - ii. Liaison and regulatory support by TPI to Company
 - (c) Duration of the contracts / arrangements / transactions
Product Supply Agreement – Valid from 1st April, 2014 till 31st March, 2019
Liaison Support Agreement – Valid from 1st April, 2009 till 31st March, 2016
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - i. Product Supply Agreement :
 - a. Purpose – TPI to purchase its total requirements of the products listed in the Agreement from the Company
 - b. Order – To be placed at least 16 weeks prior to expected delivery date
 - c. Delivery – To be on DDP (Incoterms 2010)
 - d. Credit Term – 150 days
 - e. Supply Price – Mutually agreed between the Parties

ii. Liaison Support Agreement :

- a. Purpose – TPI to promote Company's business in USA and act as a legal agent on all matters related to the USFDA.
- b. Compensation – Company follows Cost Plus Method for this arrangement.

During the FY 2014-15, the net value of the transactions with TPI is ₹ 654.66 crores.

(e) Date (s) of approval by the Board, if any:

Approval of the Board is not required under Section 188(1) of the Companies Act, 2013. The transactions have been approved by the Audit and Risk Management Committee on 5th November, 2014.

(f) Amount paid as advance, if any: Nil

* Material Contract / Transaction has been considered based on the definition of material transaction as mentioned under Proviso to Clause 49(VII)(C) of the Listing Agreement.

For and on behalf of the Board the Directors

15th May, 2015
Ahmedabad

Samir Mehta
Executive Chairman

ANNEXURE - B TO THE DIRECTORS' REPORT

ANNUAL REPORT FOR FY 2014-15 ON CSR ACTIVITIES:

Torrent strongly believes that the sustainability of any business is directly related to the well-being and development of the society in which it is embedded. Thus, even prior to statutory requirements regarding CSR, Torrent has been involved in CSR activities to give back to the society, for all the care, support and nurturance being bestowed upon it by the society. It has undertaken socially useful programs for the welfare & sustainable development of the society.

Torrent has consciously decided as a matter of policy:

1. to concentrate its efforts diligently in the following Thrust Areas: (i) Community Health care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern; and
2. to focus, as far as possible, its activities where Torrent headquarters is situated and locations in and around its operations so that the twin objectives of service to neighbourhood and community and participation of employees along with necessary admin set up can be achieved.

In line with the provisions of the Act and Rules made thereunder, the CSR Committee has been formed by the Board of Directors. Composition of CSR Committee is in accordance with Section 135 of the Companies Act, 2013 as shown below:

Name of Director	Category of Directorship
Shri Pradeep Bhargava, Chairperson	Independent Director
Shri Markand Bhatt ^{\$\$}	Non - Executive Director
Dr.Chaitanya Dutt	Whole - time Director
Smt. Bhavna Doshi ^{^^}	Independent Director

(\$\$) Ceased to be a member of the Committee effective from 30th July, 2014.

(^^) Appointed as a member of the Committee with effect from 30th July, 2014.

The Board of Directors at their meeting held on 9th May, 2014 also approved the CSR Policy. Brief outline of the Policy is as under:

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act, however, at present, it proposes to undertake its Projects (Direct Method) on priority basis in its Thrust Areas.

The Company, in every Financial Year shall endeavour to spend the feasible amount for its CSR Projects and shall not be restricted by the statutory limit, the minimum spend being 2% of the Company's average Net Profits for three immediately preceding Financial Years.

The Policy provides for identification of the CSR Projects and approval by the CSR Committee, with estimated expenditure and phase wise implementation schedules in the form of CSR Plan. The total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.

The CSR Projects may be implemented as under:

- 1) Direct Method whereby the Company may implement the CSR Projects on its own or through its Trust / Society/Section 8 Company or Group Company Trust / Society/ Section 8 Company and
- 2) Indirect Method whereby the Company may implement the CSR Projects through an external Trust / Society/ Section 8 Company fulfilling the criteria under the Act.

The Policy also provides for monitoring of the CSR Projects and Plan by the CSR Officer and half-yearly monitoring of the implementation of the CSR Policy and Plan by the CSR Committee as per the monitoring mechanism stated in the Policy.

The CSR Policy further lists the duties and responsibilities of the Board, the CSR Committee and the CSR Officer; details about allocation of funds for CSR activities; and the review periodicity/amendment of the CSR Policy and CSR Plan.

Overview of projects or programs undertaken

In line with the Thrust Areas, the Company has undertaken the following CSR project/programs:

- 1) Paediatric Care including Community Health Care Programme for Women & Child
- 2) Construction of New High School building

- 3) Shiksha Setu – A quality education programme
- 4) Contribution towards construction of a Planning and Designing College
- 5) Supporting Primary school for children at Village Bhud, Himachal Pradesh.

The CSR Policy and the CSR Plan can be accessed at

<http://www.torrentpharma.com/pdf/csrpolicy.pdf> &

<http://www.torrentpharma.com/pdf/CSRPlanforwebsite.pdf> respectively.

CSR Expenditure

(₹ in crores)

Average net profit of the company for last three financial years	685.00
Prescribed CSR Expenditure (2% of the above Amount)	13.69
Total amount spent for the FY 2014-15	15.01
Amount unspent, if any	Not Applicable

Manner in which the CSR amount was spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount Out-lay (Budget) Project or Programme wise 2014-15	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads : 2014-2015	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Paediatric Care including Community Health Care Programme for Women & Child	Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare)	Sabarmati Urban Slum, Sabarmati, Dist.: Ahmedabad, Gujarat	5.00	5.00	5.00	Directly through: (1) Tornascent Care Institute (Section 8 Company of the Group) Regi. No.: U85100GJ2015NPL082291 dated 16-02-2015 (2) U. N. Mehta Charitable Trust (Group Company Trust) Trust Regi. No. E-5437 dated 16-02-1984
2	New building for High School (Rural Area)*	Education and Knowledge Enhancement (Promoting education)	At village: Chhapi (Rural Area), Ta. Vadgam, Dist.: Banaskantha, Gujarat	5.65	5.65	5.65	Indirectly through Implementing Agency (1) Shree Vadgam Mahal Kelvani Mandal, Chhapi, Ta. Vadgam, Dist. Banaskantha, Gujarat Trust Reg. No. E-54 Banskantha dated 03-09-1956

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount Out-lay (Budget) Project or Programme wise 2014-15	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads : 2014-2015	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
3	Shiksha Setu (Quality Education Programme) (Rural and Urban Slum Area) ^s	Education and Knowledge Enhancement (Promoting education)	<ol style="list-style-type: none"> 1. Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat 2. At Villages: Akhakhol, Karjan, Navi Pardi, Dhoran Pardi (Tribal Area) Ta. Kamrej, Dist. Surat, Gujarat 3. At Villages: Chhapi, Memadpur (Rural Area) Ta. Vadgam, Dist. Banskantha, Gujarat 4. At Village: Indrad (Rural Area) Ta. Kadi, Dist. Mehsana, Gujarat <p>{18 Govt. schools and 3 Grant in Aid schools}</p>	1.00	1.00	1.00	Directly through: (1) U. N. Mehta Charitable Trust (Group Company Trust) Trust Regi. No. E-5437 dated 16-02-1984
4	Primary School Education	Education and Knowledge Enhancement (Promoting education)	At Village: Bhud,(Rural Area, Baddi) Makhnu Majra, Ta. Nalagarh, Dist: Solan, Himachal Pradesh.	0.04	0.04	0.04	Directly

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount Out-lay (Budget) Project or Programme wise 2014-15	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads : 2014-2015	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
5	Higher Education Institute (Planning Designing College)	Education and Knowledge Enhancement (Promoting education including special education and employment enhancing vocation skills)	At Village: Godhavi (Rural Area) Ta. Sanand, Dist. Ahmedabad, Gujarat	2.50	2.50	2.50	Indirectly through Implementing Agency: (1) Sanskardham Education Trust Trust Regi. No. F 962 Ahmedabad
6	Others						
	CSR capacity building cost including Administrative overhead			0.75	0.75	0.75	Directly
	Miscellaneous			0.07	0.07	0.07	Directly
	Total			15.01	15.01	15.01	

* In previous years till 31st March 2014, the amount ₹ 0.70 crores (Land - 0.30 + Building - 0.40) is contributed.

\$ In previous year till 31st March 2014, the amount ₹ 1.15 crores is contributed.

In terms of Section 134 (1)(o) of the Companies Act, 2013, in relation to the CSR Policy for the FY 2014-15, the CSR Committee states that:

- the identification of the CSR Projects with estimated expenditure and phase wise implementation schedules has been done as per the approved CSR Policy
- the CSR Projects were undertaken and monitored in compliance with the CSR Policy
- the major portion of the CSR expenditure as identified in the CSR Annual Plan was incurred for the Projects in the Thrust Areas of the Company
- the implementation and monitoring of the CSR Policy were in compliance with CSR objectives and Policy of the Company.

Shri Samir Mehta
(Executive Chairman)

Shri Pradeep Bhargava
(Chairperson CSR Committee)

ANNEXURE - C TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Annual Report. However, the Annual Report as posted on this website is excluding the aforesaid information. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary of the Company.

ANNEXURE - D TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule
No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Torrent Pharmaceuticals Limited,
Torrent House, Navrangpura,
Off Ashram Road,
Ahmedabad – 380 009

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Pharmaceuticals Limited (CIN: L24230GJ1972PLC002126) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company having its Registered Office at Torrent House, Off Ashram Road, Navrangpura, Ahmedabad – 380 009 for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period);
- (vi) The following specifically other applicable laws to the Company:
 - (a) The Drugs and Cosmetics Act, 1940
 - (b) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - (c) The Drug and price Control Order, 1995
 - (d) The Narcotics, Drugs & Psychotropics Substances Act, 1985
 - (e) The Patent Act, 1970

- (f) The Prevention of Cruelty to Animals Act, 1960
- (g) The Water (Prevention and Control of Pollution) Act, 1974
- (h) The Water (Prevention and Control of Pollution) Cess Act, 1977
- (i) Air (Prevention and Control of Pollution) Act, 1981.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to Company during Audit Period)
- (ii) Listing Agreement clauses.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

Ahmedabad
15th May, 2015

FOR M C Gupta & Co,
Company Secretaries

Mahesh C Gupta
FCS: 2047 (CP: 1028)

ANNEXURE - E TO THE DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED

We have examined the compliance of conditions of corporate governance by **TORRENT PHARMACEUTICALS LIMITED** ('the Company') for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 117365W)

Hemendra Shah

Partner

Membership No.33590

Ahmedabad,
15th May, 2015

ANNEXURE - F TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L24230GJ1972PLC002126
ii)	Registration Date	:	15 th July, 1972
iii)	Name of the Company	:	Torrent Pharmaceuticals Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by Shares
v)	Address of the Registered office and contact details	:	Torrent House, Off Ashram Road, Ahmedabad - 380 009 Phone : +91 79 2658 5090 / 3060 Fax : +91 79 26582100
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Unit : Torrent Pharmaceuticals Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 008 Phone : +91 40 67162222 Fax : +91 40 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Pharmaceutical Products	21002	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Torrent Private Limited Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat, India	U67120GJ198 5PTC007573	Holding	50.89%	Section 2(46)
2	Heumann Pharma GmbH & Co. Generica KG, Germany Südwestpark 50, 90449 Nürnberg, Germany	NA	Subsidiary	100%	Section 2(87)
3	Zao Torrent Pharma, Russia 117418, Moscow, Russia 61, Novocheremyskinskaya, Russian Fed.	NA	Subsidiary	100%	Section 2(87)
4	Torrent Do Brasil Ltda, Brazil Rua Florida, 1738. 5 Andar, Cidade Moncoes Sao Paulo - SP, CEP - 04565-004	NA	Subsidiary	100%	Section 2(87)
5	Torrent Pharma GmbH, Germany Sudwest Park 50, Nurnberg 90449, Germany	NA	Subsidiary	100%	Section 2(87)
6	Torrent Pharma Inc., USA, `150 Allen Road, Suite 102 Basking Ridge, NJ, 07920	NA	Subsidiary	100%	Section 2(87)
7	Torrent Pharma Philippines Inc., Philippines, Unit 601, ITC building, 337 Sen. Gil Puyat Avenue, Makati city, Metro Manila, Philippines	NA	Subsidiary	100%	Section 2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
8	Laboratorios Torrent, S.A. de C.V., Mexico Paseo de las Palmas, # 765 off.304, Col.Lomas de Chapultepec, Del.Miguel Hidalgo, Mexico DF: 11000, Mexico	NA	Subsidiary	100%	Section 2(87)
9	Torrent Australasia Pty. Ltd, Australia Coleman and Greig, Level 9, 100 George Street, Parramatta, NSW – 2190, Australia	NA	Subsidiary	100%	Section 2(87)
10	Heunet Pharma GmbH, Germany Sudwest Park 50, 90449 Nurnberg, Germany	NA	Subsidiary	100%	Section 2(87)
11	Norispharm GmbH, Germany Sudwest Park 50, 90449 Nurnberg, Germany	NA	Subsidiary	100%	Section 2(87)
12	Torrent Pharma Canada Inc., Canada 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9	NA	Subsidiary	100%	Section 2(87)
13	Torrent Pharma (Thailand) Co., Ltd., Thailand 4 th Floor, 1031/13, Phaholyothin Road, Kwaeng Samsen Nai, Khet Phayathai, Bangkok 10400	NA	Subsidiary	100%	Section 2(87)
14	Torrent Pharma (UK) Ltd.,UK Unit 4 Charlwood Court, Merlin Centre, County Oak Way, Crawley, West Sussex RH11 7XA, UK	NA	Subsidiary	100%	Section 2(87)
15	Torrent Pharma S.R.L., Romania Romania, Bucharest, 1 st District, 36, Stirbei Voda Street, 2 nd Floor, Office A, ZIP Code 010113	NA	Subsidiary	100%	Section 2(87)
16	Laboratories Torrent Malaysia Sdn. Bhd., Malaysia , E-08-08, Plaza Mont Kiara, No. 2 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur	NA	Subsidiary	100%	Section 2(87)
17	Torrent Pharma France, France 15 Rue Taitbout 75009 Paris	NA	Subsidiary	100%	Section 2(87)
18	Aptil Pharma Limited, UK Unit 4 Charlwood Court, Merlin Centre, County Oak Way, Crawley, West Sussex RH11 7XA, UK	NA	Subsidiary	100%	Section 2(87)
19	Tornascent Care Institute (Section 8 Company) Torrent House,Off Ashram Road, Ahmedabad-380009	U85100GJ2015NPL082291	Associate	50%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder	No. of the shares held at the beginning of the year 31/03/2014				No. of shares held at the end of the year 31/03/2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
PROMOTER AND PROMOTER GROUP									
INDIAN									
Individual /HUF	34891248	0	34891248	20.62	34449248	0	34449248	20.36	(0.26)
Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	86115472	0	86115472	50.89	86115472	0	86115472	50.89	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholder	No. of the shares held at the beginning of the year 31/03/2014				No. of shares held at the end of the year 31/03/2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1) :	121006720	0	121006720	71.51	120564720	0	120564720	71.25	(0.26)
FOREIGN									
Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total A=A(1)+A(2)	121006720	0	121006720	71.51	120564720	0	120564720	71.25	(0.26)
PUBLIC SHAREHOLDING									
INSTITUTIONS									
Mutual Funds / UTI	12884578	800	12885378	7.61	11380819	0	11380819	6.73	(0.89)
Financial Institutions /Banks	16934	0	16934	0.01	72588	0	72588	0.04	0.03
Central Government / State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	20226962	0	20226962	11.95	20741211	0	20741211	12.26	0.30
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1) :	33128474	800	33129274	19.58	32194618	0	32194618	19.02	(0.55)
NON-INSTITUTIONS									
Bodies Corporate	1968045	10035	1978080	1.17	2447306	9560	2456866	1.45	0.28
Individuals									
(i) Individuals holding nominal share capital upto ₹1 lakh	6218588	996180	7214768	4.26	6247533	943259	7190792	4.25	(0.01)
(ii) Individuals holding nominal share capital in excess of ₹1 lakh	819581	0	819581	0.48	1207794	0	1207794	0.71	0.23
Others									
CLEARING MEMBERS	56242	0	56242	0.03	515635	0	515635	0.30	0.27
DIRECTORS AND THEIR RELATIVES	4485200	0	4485200	2.65	4485200	0	4485200	2.65	0.00
H U F	216982	0	216982	0.13	282459	0	282459	0.17	0.04
NON RESIDENT INDIANS	315073	0	315073	0.19	323036	0	323036	0.19	0.00
TRUSTS	800	0	800	0.00	1600	0	1600	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	14080511	1006215	15086726	8.92	15510563	952819	16463382	9.73	0.81
Total B=B(1)+B(2) :	47208985	1007015	48216000	28.49	47705181	952819	48658000	28.75	0.26
Total (A+B) :	168215705	1007015	169222720	100.00	168269901	952819	169222720	100.00	0.00
Shares held by custodians, for ADRs and GDRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	168215705	1007015	169222720	100.00	168269901	952819	169222720	100.00	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 31/03/2014			Share holding at the end of the year 31/03/2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Samir U Mehta	8254960	4.88	0.00	6283960	3.71	0.00	(1.16)
2	Sudhir U Mehta	5885376	3.48	0.00	5885376	3.48	0.00	0.00
3	Sapna S Mehta	5359164	3.17	0.00	5359164	3.17	0.00	0.00
4	Anita S Mehta	6341268	3.75	0.00	6120268	3.62	0.00	(0.13)
5	Varun S Mehta	1750000	1.03	0.00	1750000	1.03	0.00	0.00
6	Samir Uttamlal Mehta (HUF)	2080000	1.23	0.00	2080000	1.23	0.00	0.00
7	Jinal S Mehta	1750000	1.03	0.00	1750000	1.03	0.00	0.00
8	Jinal S Mehta	3000	0.00	0.00	3000	0.00	0.00	0.00
9	Sudhir Uttamlal Mehta (HUF)	1717480	1.01	0.00	1717480	1.01	0.00	0.00
10	Aman Mehta	1750000	1.03	0.00	1750000	1.03	0.00	0.00
11	Shaan Mehta	0	0.00	0.00	1750000	1.03	0.00	1.03
12	Torrent Private Ltd.	86115472	50.89	0.00	86115472	50.89	0.00	0.00
	Total	121006720	71.51	0.00	120564720	71.25	0.00	(0.26)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Increase / Decrease in Shareholding during the year*		Cumulative Shareholding during the year / Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	No. of shares	No. of shares	% of total shares of the company
1	Total Promoters Shareholding	121006720	71.51	05/02/15	(442000)	120564720	71.25

*Change in shareholding is due to transfer of shares by way of gift

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year*		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Lavender Investments Limited	4533563	2.68	-	0	4533563	2.68	4533563	2.68
2	Franklin Templeton Investment Funds	2600000	1.54	25/04/2014	135000	2735000	1.62	3382710	2.00
				23/05/2014	576095	3311095	1.96		
				22/08/2014	55239	3366334	1.99		
				30/09/2014	24824	3391158	2.00		

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year*		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
				17/10/2014	147972	3539130	2.09		
				24/10/2014	40870	3580000	2.12		
				31/10/2014	276745	3856745	2.28		
				07/11/2014	44868	3901613	2.31		
				16/01/2015	13884	3915497	2.31		
				13/03/2015	(46400)	3869097	2.29		
				20/03/2015	(169604)	3699493	2.19		
				27/03/2015	(80383)	3619110	2.14		
				31/03/2015	(236400)	3382710	2.00		
3	HDFC Trustee Company Ltd - A/c HDFC Midcap Opportunities Fund	1630470	0.96	16/05/2014	(304152)	1326318	0.78	2020650	1.19
				30/05/2014	15000	1341318	0.79		
				06/06/2014	18682	1360000	0.80		
				13/06/2014	100000	1460000	0.86		
				20/06/2014	190000	1650000	0.98		
				30/06/2014	12300	1662300	0.98		
				11/07/2014	50000	1712300	1.01		
				18/07/2014	100000	1812300	1.07		
				01/08/2014	75000	1887300	1.12		
				08/08/2014	75000	1962300	1.16		
				29/08/2014	36000	1998300	1.18		
				30/09/2014	22350	2020650	1.19		
4	Franklin Templeton Mutual Fund A/c Franklin India Flexicap Fund	1200000	0.71	28/11/2014	(35528)	1164472	0.69	1127638	0.67
				05/12/2014	(34191)	1130281	0.67		
				12/12/2014	(2643)	1127638	0.67		
5	Franklin templeton mutual fund a/c franklin india Prima plus	1130930	0.67	01/08/2014	(34978)	1095952	0.65	940000	0.56
				08/08/2014	(38226)	1057726	0.63		
				15/08/2014	(4118)	1053608	0.62		
				22/08/2014	(53608)	1000000	0.59		
				05/12/2014	(19973)	980027	0.58		
				12/12/2014	(3493)	976534	0.58		
				19/12/2014	(24857)	951677	0.56		
				31/12/2014	(11677)	940000	0.56		
6	HDFC Trustee Company Limited - HDFC Tax Saver Fund	1000000	0.59	23/05/2014	(312897)	687103	0.41	400000	0.24

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year*		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
				13/6/2014	(50000)	637103	0.38		
				18/07/2014	(53500)	583603	0.34		
				01/08/2014	(34800)	548803	0.32		
				08/08/2014	(25000)	523803	0.31		
				29/08/2014	(58074)	465729	0.28		
				05/09/2014	(16850)	448879	0.27		
				13/02/2015	(25000)	423879	0.25		
				20/02/2015	(23879)	400000	0.24		
7	ICICI Prudential Discovery Fund	967204	0.57	-	0	967204	0.57	967204	0.57
8	Pictet Country Fund (Mauritius) Limited	932751	0.55	09/05/2014	(40305)	892446	0.53	641152	0.38
				16/05/2014	(7280)	885166	0.52		
				18/07/2014	(17500)	867666	0.51		
				25/07/2014	(8729)	858937	0.51		
				01/08/2014	(3724)	855213	0.51		
				15/08/2014	(9185)	846028	0.50		
				22/08/2014	(9150)	836878	0.49		
				05/09/2014	(10199)	826679	0.49		
				12/09/2014	(137913)	688766	0.41		
				10/10/2014	(2563)	686203	0.41		
				31/10/2014	(38139)	648064	0.38		
				19/12/2014	(52112)	595952	0.35		
				31/12/2014	(16793)	579159	0.34		
				16/01/2015	(6899)	572260	0.34		
				23/01/2015	(28607)	543653	0.32		
				13/03/2015	97499	641152	0.38		
9	Reliance Capital Trustee Company Limited - A/c- Reliance Regular Savings Fund-Equity Option	900000	0.53	23/05/2014	(50633)	849367	0.50	700000	0.41
				06/06/2014	(14104)	835263	0.49		
				13/06/2014	(35263)	800000	0.47		
				30/09/2014	(6433)	793567	0.47		
				03/10/2014	(19248)	774319	0.46		
				10/10/2014	(29504)	744815	0.44		
				07/11/2014	(44815)	700000	0.41		
10	New Vernon India Limited	883881	0.52	04/04/2014	(12283)	871598	0.52	594256	0.35
				23/01/2015	(7342)	864256	0.51		
				20/02/2015	(270000)	594256	0.35		

* Change in shareholding is due to transfer of shares by way of sale/purchase

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year		Cumulative Shareholding during / at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	No. of shares	% of total shares of the Company
	At the beginning of the year						
	DIRECTORS:						
1.	Shri Sudhir Mehta*	7602856	4.49	-	0	7602856	4.49
2.	Shri Samir Mehta**	10334960	6.11	05/02/2015 ^{\$}	-1971000	8363960	4.94
3.	Shri Markand Bhatt***	10200	0.01	-	0	10200	0.01
4.	Shri Shailesh Haribhakti	6000	0.00	-	0	6000	0.00
5.	Dr. Chaitanya Dutt	800	0.00	-	0	800	0.00
	KMP:						
1.	Shri Ashok Modi, Chief Financial Officer	960	0.00	-	0	960	0.00

* Including 1717480 shares in the name of Sudhir Mehta (HUF)

** Including 2080000 shares in the name of Samir Mehta (HUF)

*** Held jointly with Shri Gunjan Bhatt (son of Shri Markand Bhatt being independent) as first holder and Shri Markand Bhatt as second holder

^{\$} Change in shareholding of Shri Samir Mehta is due to transfer of shares by way of gift

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crores)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	885.34	246.33	Nil	1,131.67
(ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	2.62	1.06		3.68
Total (i+ii+iii)	887.96	247.39		1,135.35
Change in Indebtedness during the financial year				
- Addition	1,801.46	7.58		1,809.04
- Reduction	186.75	232.68		419.43
Net Change	1,614.71	(225.10)		1,389.61
Indebtedness at the end of the financial year				
(i) Principal Amount	2,500.05	21.23		2,521.28
(ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	17.16	0.48		17.65
Total (i+ii+iii)	2,517.21	21.71		2,538.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager		Total Amount
		Shri Samir Mehta	Dr. Chaitanya Dutt*	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	447.29	447.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 [§]	1.52	0.40	1.92
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0.00	0	0.00
	- others specify (Note - 1)	1000.00	0	1000.00
5	Others, please specify			
	Provident Fund	0	28.35	28.35
	Superannuation	0	0.75	0.75
	Total (A)	1001.52	476.79	1478.31
	Ceiling as per the Act (5% of the Net Profit)	3865.25	3865.25	
	Cumulative Ceiling as per the Act (10% of the Net Profit)		7730.50	

* Includes arrears of Salary, Leave Encashment and contribution towards gratuity

§ Does not include premium for group personal accident and group mediclaim policy

Note -1 : As recommended by Nomination and Remuneration Committee and decided by the Board of Directors

B. Remuneration to other directors:

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Shailesh Haribhakti	Shri Haigreave Khaitan	Shri Pradeep Bhargava	Smt. Bhavana Doshi	Prof. Ashish Nanda	Shri Sudhir Mehta	Shri Markand Bhatt	
	3. Independent Directors								
1	- Fee for attending board / committee meetings	12.00	8.00	17.00	8.00	7.00	-	-	52.00
2	- Commission	17.00	13.00	17.00	9.00	9.00	-	-	65.00
	Total (1)	29.00	21.00	34.00	17.00	16.00	0.00	0.00	117.00
	4. Other Non-Executive Directors	-	-	-	-	-	0	0	0
1	- Fee for attending board / committee meetings								
2	- Commission						500.00	0	500.00
	Total (2)	-	-	-	-	-	500.00	0	500.00
	Total (B)=(1+2)	29.00	21.00	34.00	17.00	16.00	500.00	0	617.00
	Total Managerial Remuneration								2095.31
	Overall Ceiling as per the Act (11% of the Net Profit, excluding seating fees)	8503.55							

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB :

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Ashok Modi, CFO	Shri Mahesh Agrawal, CS	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	318.67	67.85	386.51
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.44	0.73
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others specify	0	0	0
5	Others, please specify			
	Provident Fund	21.06	4.43	25.49
	Superannuation	1.00	1.0	2.0
	Total	341.02	73.72	414.74

* Includes one time reward and Leave Encashment

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief description	Details of penalty/ punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any give details
A. COMPANY					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
B. DIRECTORS					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

ANNEXURE - G TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE RULE 8 (2) OF THE COMPANIES (ACCOUNTS OF COMPANIES) RULES, 2014

A. CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy

- Power factor maintained nearer to Unity at Indrad Plant and received annual rebate of ₹ 54 Lacs from UGVCL.
- DG operation controlled at Sikkim by continuous follow up with SEB for power cut, reducing DG usage to 14.09 % in FY 2014-15 compared to 17.61% in FY 2013-14, thus saving approx of 29 Lacs
- Replaced 600 nos. fluorescent lights / CFLs with LED lights at Sikkim Plant at a cost of ₹ 8 lacs, which has resulted in an annualised saving of ₹ 5 lacs.

(b) Steps taken by the Company for utilizing alternate source of energy

- Feasibility of steam generation through Briquette fired boiler is under evaluation.
- Solar power for hot water system and for street lighting is being evaluated as a Green initiative.

(c) The capital investment on energy conservation equipments

- 64 nos conventional urinals replaced with water less urinals which has helped in saving of nearly 2500 KL water during the year at an investment of ₹ 11 Lacs. 12 Nos rain water harvesting recharge wells constructed during the year at an investment of ₹ 150 Lacs, has helped in harvesting 10000 KL water during the rainy season. River water storage tank & bore well water storage tank separation is carried out, at an investment of ₹ 30 lacs, which will reduce water treatment as well as water rejection in RO plant & reduce load on Effluent treatment plant. Saving potential is ₹ 7.0 Lacs per annum and also help in saving of nearly 20000 KL water per year. For the FY 2015-16, it is proposed to replace existing 1200 nos fluorescent light with LED light at formulation area in Indrad and Baddi. Proposed investment is ₹ 9.5 Lacs and it will result in annual electricity saving of about ₹ 10 Lacs.
- All new equipment like compressors and AHUs in expansion activities are using Variable Frequency Drives and Variable Speed Drives to economise on energy consumption.

B. TECHNOLOGY ABSORPTION

Particulars with respect to technology absorption are given below:

Research and Development (R & D)

1. Specific areas in which R&D is carried out by the Company

The Company's R&D Centre is engaged in the discovery of New Chemical Entities (NCEs) and development of new processes and suitable formulations for known Active Pharmaceutical Ingredients (APIs) and value-added & differentiated formulations by leveraging our proprietary technologies for which various patents have been filed.

2. Benefits derived as a result of the above R & D

- At the end of the year under review, the Company received 6 ANDA approval and filed 73 ANDAs and 26 DMFs filed in US and 56 new product Dossiers & 24 DMF submitted in the EU.
- 818 patents filed for NDDS technology, drug discovery projects and innovative process of API & formulations for various geographies and 325 have been granted so far.
- New Discovery programmes in Chronic Obstructive Pulmonary Disease & Inflammatory Bowel Disease has been initiated.

3. Future plan of action

- Efforts would continue for development of new, value added and differentiated formulations and new cost effective, eco-friendly & safe processes for APIs for CVS & CNS therapeutics. To bridge the gap in current therapy, NDDS projects like long acting injectable, nasal sprays, oral films, foams and sublingual sprays have been initiated to improve therapeutic outcome.

- The Company has initiated investment in the areas like Oncology, Dermatology and Ophthalmic. The Company is moving towards 6-8% of sales as a sustainable long term R&D spend level in diversified dosage forms with higher level of complexity.

4. Expenditure on R & D

Particulars	2014-15 (₹ in crores)
a. Capital expenses	9.80
b. Revenue expenses	153.77
Total (a+b)	163.57
c. Total R&D expenditure as a percentage of turnover	4.80%

Technology absorption, adaptation and innovation

1. Efforts made towards technology absorption;

Texture Analyser is used for evaluation of the physical performances (texture) of semisolid / solid & other dosage form preparations. Process Analytical Tools like droplet size measurements has been adopted for characterizing spray pattern in Fluid bed coating, Pan coating as well as Quality check for actuators used in Nasal sprays.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

Equipments like Texture Analyser have helped us to build robust quality product. The implementation of Process Analysis Techniques (PAT) tools has helped us to build a robust process and to reduce the number of trials and the time taken to complete the development process. Also the data generated is scalable up to commercial level.

3. Information in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Technology Imported	Year of Import	Whether fully absorbed
Electron Capture Detector for GC Used for the Analysis for high electronegative compounds such as halogenated compounds, especially chlorinated, fluorinated, brominated, and Iodo molecules as well as organometallic compounds, nitriles, or nitro compounds at parts per trillion (ppt) levels.	2014-15	Yes
Texture Analyser Texture Analyser is used for evaluation of the physical performance of semisolid / Solid & other dosage forms <ul style="list-style-type: none"> It has been adopted as a major tool in development and evaluation of semisolid formulations like lotions, creams and ointments. Its application has been implemented in evaluation and determination of lyophilized cake hardness and determination of syringeability and injectability of parenteral formulations. 	2014-15	Yes
Online Particle Size measurement in Fluid bed Process Online particle size analyzer help in monitoring granule growth in real time and the end-point can be set based on certain size distribution criteria. This will enable to design robust processes.	2013-14	Yes
Droplet size measurement for pan coating or Fluid bed coating Droplet size measurements has been adopted for characterizing spray pattern in Fluid bed coating, Pan coating as well as Quality check for actuators used in Nasal sprays.	2013-14	Yes

Technology Imported	Year of Import	Whether fully absorbed
Online NIR analyzer for blending end point determination NIR analyzer for blending end point determination is used as an on-line, real-time, blend monitoring for confirmation of blend uniformity.	2013-14	Yes
Actuator for Nasal spray It is being used to determine Spray content uniformity (SCU), tail off study and pump delivery of Nasal Spray.	2013-14	Yes
Colorimeter with computer This instrument is used to control the colour, shade variation of powders, tablets, capsules, suspensions, solid materials, solutions, injections & printing colour variation of packaging materials of products.	2013-14	Yes
Quadro co mill flame proof High throughput equipment for size reduction of wet and dry granules.	2013-14	Yes
Hot Stage Microscope To study material behaviour at elevated temperature and admixtures of drug polymer blends.	2013-14	Yes
Gel Permeable Chromatography (GPC) Advanced equipment to characterize critical excipients like rate controlling polymers in Drug Delivery system.	2012-13	Yes
High Pressure Homogenizer Size reduction equipment which enables to produce nanoparticles at R&D using cavitation & high pressure. The common applications of this homogenizer are particle size reduction for preparation of micro and nanosuspension, fine emulsions preparation, cell disruption, dispersions, nanoparticles, liposomes, grinding and micro-encapsulating along with general blending and mixing.	2012-13	Yes

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company used foreign exchange amounting to ₹ 325.90 crores and earned foreign exchange amounting to ₹ 1465.94 crores during the year ended 31st March, 2015 as compared to ₹ 339.05 crores and ₹ 1686.24 crores respectively for previous year.

For and on behalf of the Board the Directors

Ahmedabad
15th May, 2015

Samir Mehta
Executive Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

TO
THE SHAREHOLDERS

CAVEAT

Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

NOTE

Except stated otherwise, all figures, percentages, analysis, views and opinions are on consolidated financial statements of Torrent Pharmaceuticals Ltd. and its wholly owned subsidiaries and their businesses (jointly referred as Torrent or Company, hereinafter). Financial information presented in various sections of the Management Discussion and Analysis is classified under suitable heads which may be different from the classification reported under the Consolidated Financial Statements. Some additional financial information is also included in this section which may not be readily available from the Consolidated Financial Statements. Previous year's figures have been regrouped to make it comparable with the current year.

GLOBAL PHARMACEUTICALS MARKET

Global Economy:

Global economic growth in 2014 was a modest 3.4 percent, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014. Complex forces that affected global activity in 2014 are still shaping the outlook. These include medium- and long-term trends, such as population ageing and declining potential growth; global shocks, such as lower oil prices; and many country or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies. Overall, global economy growth is projected to reach 3.5 percent and 3.8 percent in 2015 and 2016, respectively. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporters. Nevertheless, emerging markets and developing economies still account for more than 70 percent of global growth in 2015.¹

Global Pharma Market:

The global pharmaceutical sales grew by 8.3% in the year 2014 and key growth drivers continue to be shift towards use of generic medicines accompanied by patent expiries mainly in the regulated market and higher growth in Pharmerging markets.

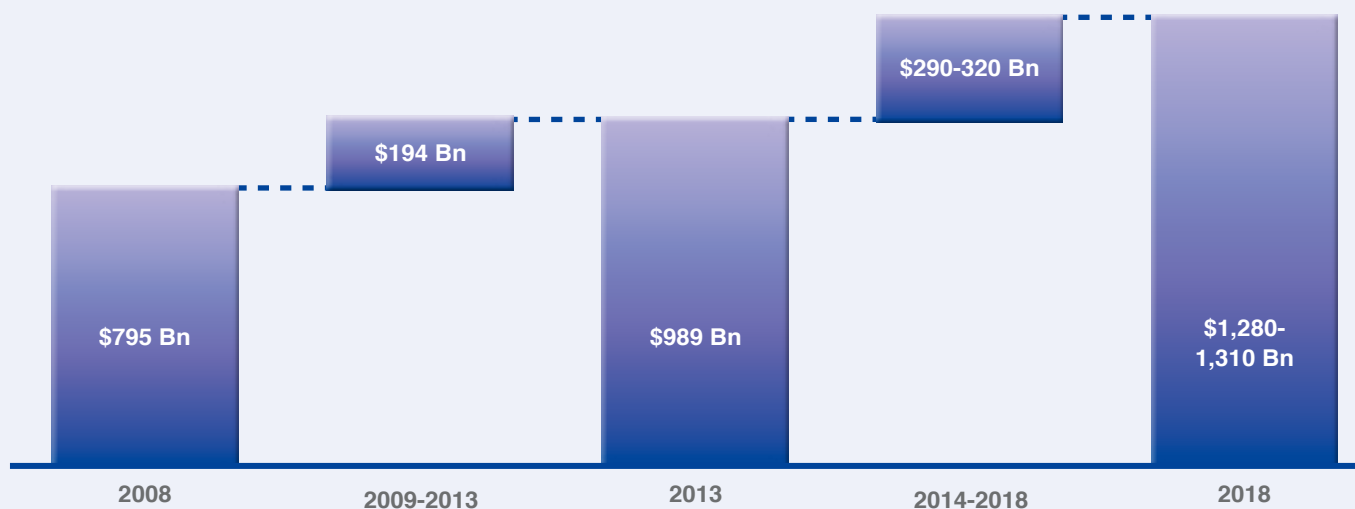
The largest pharmaceutical market US is estimated to be approximately US\$ 365 Bn registering a growth of around 11.8% in 2014 which is significantly higher than the 3.6% growth over the past five years. The market is expected to grow at a compounded annual growth rate of 5-8% through 2018 due to fewer patent expiries and launches of more innovative medicines which is a reflection of a shift in the balance of the "innovation cycle"—the amount of new medicines being launched and utilized compared to the value of branded medicines that are facing new generic competition.

The European market is estimated to be approximately US\$ 216 Bn registering a growth of 3.3% in 2014. Across the major markets in Europe, economic austerity-led efforts to constrain growth in healthcare spending, and especially medicines, have resulted in spending declines or very low growth, which will continue through 2018.

¹ International Monetary Fund - World Economic Outlook, April 2015

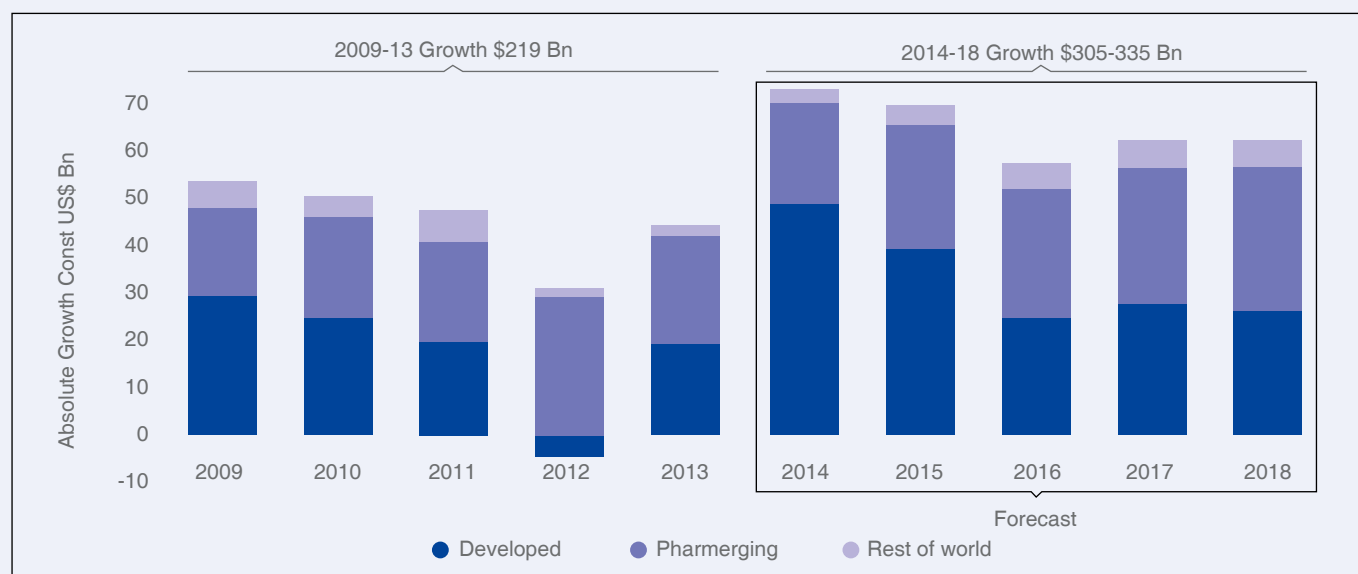
The Pharmerging markets will grow at a compounded annual growth rate of 8-11% through 2018, a slower pace than over the past five years, which averaged 13.6% growth. Implementation of health reforms are increasing demand for medicines, while pricing regulations are being used more frequently to manage overall growth levels. Over 80% of growth in Pharmerging markets will be attributed to non-branded medicines.

Global Spending and Growth 2008-2018



The global spending on medicines is forecasted to reach close to US\$ 1.3 trillion by 2018, an increase of about 30% over the 2013 level.

The extent of growth in 2014-2018 is forecasted at an annual rate of about 7% as against 5.2% recorded over the past five years. This increase in growth is largely attributed to the developed markets – led by the United States, the major five European Markets and Japan. On the other hand, the Pharmerging countries will increase their contribution to growth over the next five years and account for nearly 50% of the absolute growth in 2018².



² IMS Health Global Outlook on Medicines 2018, November 2014

Growth Drivers

Demographic trends will act as a significant driver of global demand for pharmaceuticals during the next five years. The global population aged 65 and over will grow faster than any other age segment, and will account for almost 30% of overall population growth in the next five years. Increase in diagnosis and treatment of chronic conditions and an aging population will drive developed markets, while population growth coupled with improved access to healthcare will drive emerging market growth.

The prevalence of non-communicable diseases (NCDs), such as cancer and cardiovascular, metabolic and respiratory diseases is increasing worldwide. NCDs are often associated with ageing populations and lifestyle choices, diet and lack of exercise and many of these require long-term management.

Innovation is critical to addressing unmet medical need. The delivery of new medicines will rely on a more advanced understanding of disease and the use of new technology and approaches, such as personalized healthcare (PHC) and predictive science. Technological breakthroughs in the design and testing of novel compounds present fresh opportunities for using small molecules as the basis for new medicines.

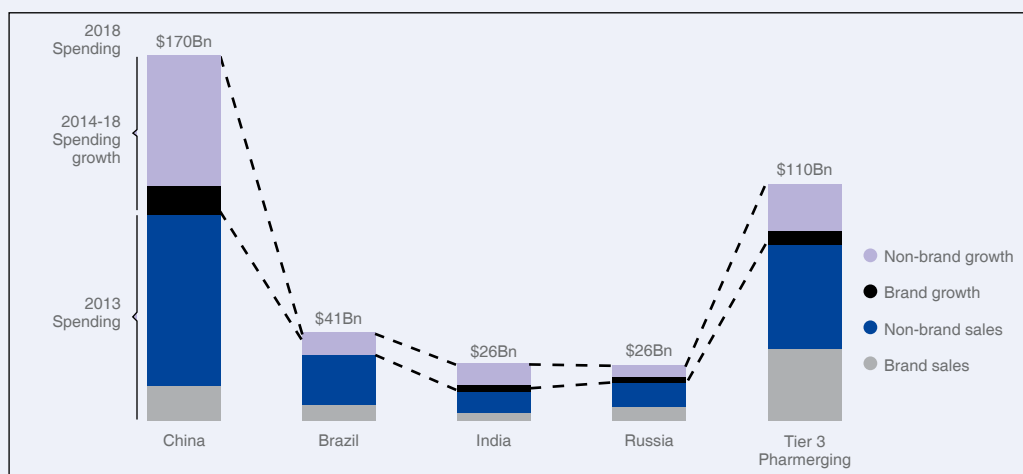
The availability of new medicines varies by country and disease. The countries with the highest availability of all New Molecular Entities (NMEs) launched 2008-12 continue to be high-income countries, including the U.S., Germany, the U.K., Canada and Italy. Pharmerging markets have a lower percentage of possible NMEs across all medicine classes. It is estimated that around 70-80% of the NME are not available in developing markets, although recent analysis of the availability of NMEs achieved an increase in the availability. In Pharmerging markets, complex and difficult approval process, pricing and market access hurdles, price adjustment to the more modest spending power of the patients are the main reasons for low level of NME launches. The value growth of Pharmerging markets are primarily driven by low unit cost generics and therefore innovative agents do less well. The leading 20 branded products in these Pharmerging markets are all, without exception, over 10 years old.

Innovative medicines, increased access and advances in treatment will impact both developed and Pharmerging countries for the next five years. Spending levels will differ significantly between developed and Pharmerging regions, with greater spending on specialty medicines in developed countries. ³ Specialty therapies continue to be more significant in developed markets than in Pharmerging. Oncology continues to be the largest category in developed countries, and the largest specialty area in Pharmerging countries. Leading classes in Pharmerging markets are dominated by pain, antibiotics and hypertension, while in developed markets specialty categories such as oncology and auto immune diseases are more prominent.

Pharmerging Markets

As growth in developed markets continues, increasing global demand and expanding global export markets will benefit the Pharmerging countries. Government stimulus and investment projects across Pharmerging economies will contribute to domestic demand overall with downstream effects on the demand for medicines.

In Pharmerging countries, spending growth is estimated to remain between 8-11%. Growth in Pharmerging countries will be heavily driven by generic and non-branded products, growing at double the rate of branded growth. Growth in these markets is comprised of 83% non-brand medicine growth, driven mostly by growth in generics².



² Ims Health Global Outlook on Medicines 2018, November 2014

³ Specialty therapies are defined by IMS Health as products that are often injectable, high-cost, biologic or requiring cold-chain distribution. They are mostly used by specialists, and include treatment for cancer and other serious conditions, and often involve complex patient follow-up and monitoring.

Population growth and government initiatives in emerging markets are expected to drive sector expansion for the next several years. India, China, Indonesia, Mexico and Russia are pegged as main growth engines; companies are likely to continue expanding their presence in these and other emerging markets.

Another demographic trend creating increased health care demand is the spread of chronic diseases like heart disease, stroke, cancer, respiratory diseases, diabetes, and mental illness, among others which is attributable to the aging population, more sedentary lifestyles, diet changes, and rising obesity levels, as well as improved diagnostics. The cost of treatment for these diseases may be out of reach for many consumers, especially in emerging markets which are expected to compel a more intense focus on disease education and prevention by governments while companies continue to develop innovative new medicines to address many of these diseases.

Future of Generics

Improving access to health care and reducing spend on it is a major goal of governments around the world. Most national health care systems have been encouraging greater use of generic drugs; in the U.S. the proportion of generic prescriptions has risen from around half to 80% over the last decade. As cost-containment approach, Germany and several other countries have turned to value-based pricing for new drugs, which allows a price differential from existing offerings including generics based on a new product's demonstrated superiority. Finally, some countries are increasingly mandating price control: India, Brazil and China, for example, have national lists of essential drugs with set prices.

Patent protection for pharmaceutical products is finite. Patents are expiring on some of the biggest-selling drugs ever produced and payers, physicians and patients have greater access to generic alternatives in many important drug classes. As a result, demand for generics is high.

Generics continue to drive growth globally. Post 2012 the year in which drugs with sales value of USD 44 Bn, lost their patent protection during the year, the extent of patent expiry resulting into genericization of large sized patented products is going to remain in the range of 15-25 Bn per year. It is predicted that more than 50% of the global pharma growth during the period 2014-2018 is likely to be driven by generics.

Regulatory

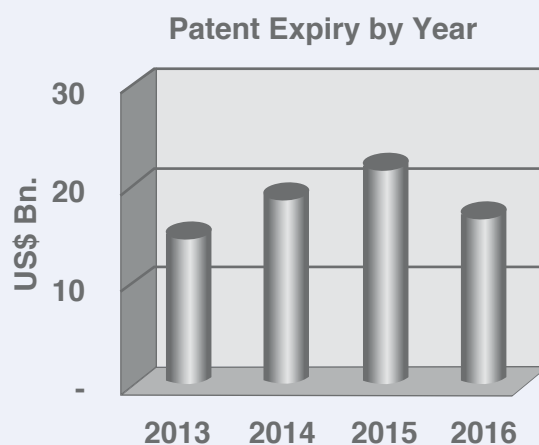
A highly regulated industry reflects public demand for safe, effective and high-quality medicines. Delivering such medicines requires responsible testing, manufacturing and marketing, as well as maintaining important relationships worldwide with regulatory authorities. There is a global trend towards greater transparency of, and public access to, the regulatory submissions that support the approvals of new medicines. A recent example is the new EMA policy on publication of clinical data for medicinal products for human use, which provides for the publication of clinical reports that underpin the EMA's decision making. In most countries, these frameworks impose robust standards to ensure product safety, efficacy and quality.

Mergers and Acquisitions (M&A)

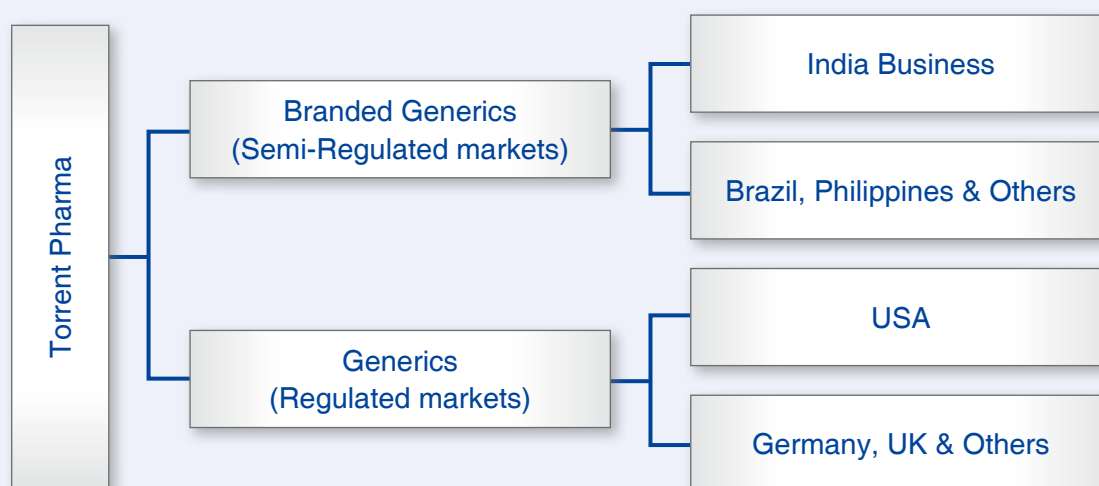
Life sciences companies tallied over US\$300 billion in completed or announced M&A transactions globally for 2014. Transactions have been skewing toward fewer, bigger deals. Partnerships and collaborations also will comprise an important part of the picture as companies continue to grapple with a rapidly shifting landscape, grow distribution networks, and leverage previous investments. New insurance and payment models, rapidly changing consumer demographics, and an explosion of technology-based treatment innovations are driving both horizontal and vertical M&A activity.

PERFORMANCE SNAPSHOT

Torrent is one of the front runners in the Indian Pharmaceuticals Industry having presence in India as well as International Markets. The Company's revenues are mainly from manufacture and sale of branded as well as unbranded generic pharmaceutical products.



The Segmentation of business can be done as under:



During the financial year 2014-15, the Company reported revenues of ₹ 4,653 crores, a growth of 11% compared with ₹ 4,184 crores in the previous financial year.

The breakup of revenues under key segments is as under:

Segment Revenue (₹ Crore)	2014-15		2013-14		Growth %
	Amount	Share	Amount	Share	
India	1,609	35%	1,161	28%	39%
Other Branded Markets	927	20%	838	20%	11%
USA	832	18%	776	19%	7%
Other Generic markets	990	21%	1016	24%	-3%
Others/CRAMs	295	6%	393	9%	-25%
Total	4,653	100%	4,185	100%	11%

Torrent Pharma: Core Competencies

With Torrent's core competencies in Branded markets ever since 1970s, driven by Physician-Field Force model, relations and Product development – Branded Markets remain a key priority for Torrent. Moreover, such markets offer significantly higher visibility and sustainability to the business. Going forward, the strategic priorities include the following:

1) Branded Markets

- India Business: Continuous focus on specialties, Field force productivity and New products.
- Scaling up in Key markets in Branded Generics with stronger presence in CVD & CNS markets (in markets like Brazil)
- Harmonizing marketing model and New Product Pipeline across Branded Generics markets

2) Generics

Strengthening New Product Pipeline through product innovation and complex products for genericised markets like USA and Europe.

NDDS & Pipeline Augmentation

A new era of science and technology has evolved in pharmaceutical research focused at development of different novel drug delivery systems. The evolution of an existing drug from its traditional form to a novel delivery system may considerably improve its performance in aspects of efficacy, safety and patient compliance. So the method of administering a drug can also have significant effect in its efficacy. In recent years the considerable advances in drug delivery systems have enabled more effective routes of administration.

The New Product pipeline also includes several first time in the world Novel Drug Delivery systems which will give Torrent the edge over competitors with negligible competition. As Torrent moves towards branded markets and innovation with complex generics, the pipeline is being augmented with new complex oral solids, ointments/creams and Injectables.

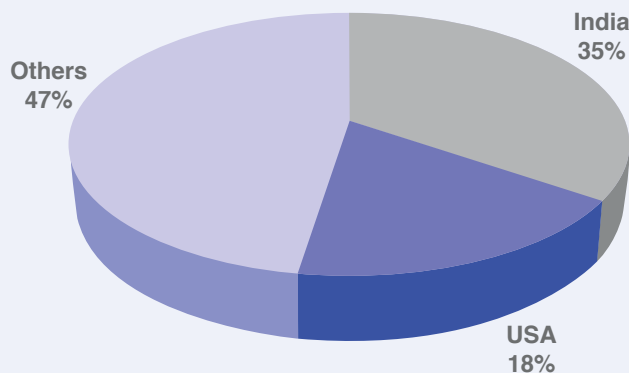
Torrent Pharma's strategic priorities remain as under:

1. **Branded Markets**

- a. India
- b. Brazil

2. **Generics**

- a. USA
- b. Others



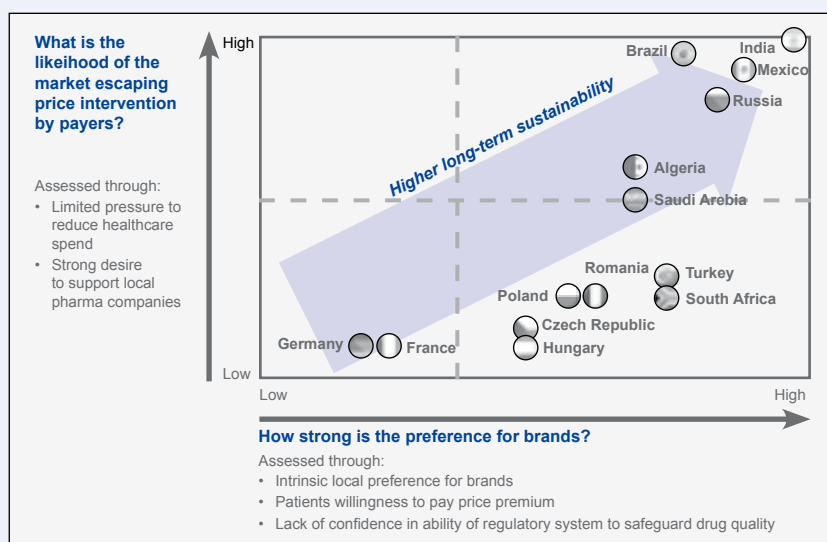
Segmentation – Key Business segments

Branded Markets

A hybrid of generic and brand name products, branded generics not only allow companies to use existing distribution systems and established marketing techniques to sell premium-priced generics, they offer consumers the reassurance of a trusted name amidst rising fears of unsafe counterfeits which is more prevalent in semi-regulated markets where the regulatory norms are not as stringent or evolved as regulated markets like USA or Europe.

Emerging markets have long been regarded as the “promised land” of the pharmaceutical industry. They are expected to amount to nearly a third of the global pharmaceutical market by 2016, and it is anticipated that they will play a vital role in sustainable growth in the industry. With huge populations, increasing prosperity, and improving longevity (albeit at differing rates), these markets are very attractive to those companies suffering from the stagnation of mature markets, patent expirations, and increased regulatory hurdles. However, although these regions offer huge untapped potential, they display a wide diversity in their stages of development, particularly with regard to their healthcare infrastructure. For this reason, there can be no “one-size-fits-all” approach to emerging markets. Even among the three main clusters of markets — the BRICMT economies (those of Brazil, Russia, India, China, Mexico, and Turkey); second-tier countries such as those of Southeast Asia; and finally Africa — there are local idiosyncrasies that make bespoke approaches to these markets essential. (PWC Report on Pharma Emerging markets 2.0)

Branded Generics remains a sustainable model for Semi-regulated markets like India, Brazil, Russia, Mexico, Philippines wherein the Physician-Field Force model is prevalent for several countries. Within the Branded Generics market, Torrent has priorities in India, Brazil and Philippines where we intend to scale up in CVD, CNS markets aiming for a stronger position and also enter new therapies in these markets.

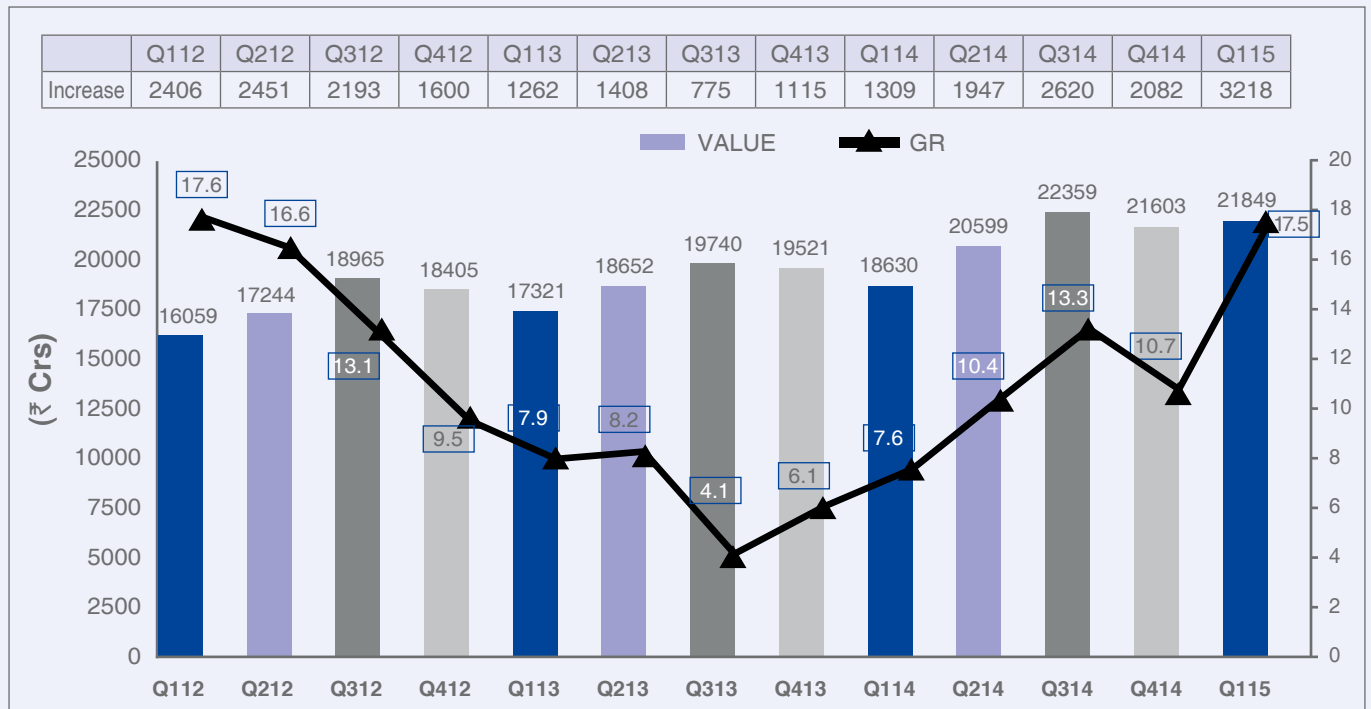


Source : McKinsey & Company : Unlocking Pharma growth - How sustainable are branded generics

INDIAN PHARMACEUTICALS MARKET

The pharmaceutical business model is witnessing a paradigm shift, moving from a fully integrated company structure towards a future where companies use a wide range of outsourcing, partnership initiatives and other contractual and relationship arrangements to create networks of collaboration and discovery. Investing in India will be a vital component of this networked future. Companies that will be most successful in doing business in India will be those that are most adept at managing and mixing a range of contractual relationships and partnership strategies.

The Indian Pharmaceuticals Industry currently tops the chart amongst India's science based industries with wide ranging capabilities in the complex field of drug manufacture & technology. The Indian pharmaceutical market (IPM) is valued at INR 85,000 crores approximately as at March 2015 MAT (Moving Annual Total). The year gone by has passed through tough phases for the industry which includes Pricing policy, Delay in New product approvals. However, the industry has regained growth momentum in the last few quarters.



Q1-Jan-Mar; Q2-Apr-Jun; Q3-Jul-Sept; Q4-Oct-Dec;

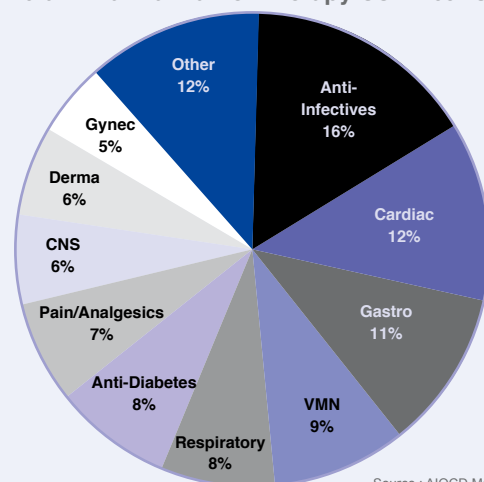
Source : AIOCD March 2015 dataset

Despite this, Indian pharma market remains one of the fastest growing pharma markets in the world and is dominated majorly by branded generics constituting nearly 70% to 80% of market. The market is estimated to be among the top 10 by 2015. (Source: IMS)

The growth in Indian domestic market will be on back of increasing consumer spending, rapid urbanization, and raising healthcare insurance. In 2015, growth is expected to continue to be healthy, as the momentum continues and improving economic growth allows individuals more leegroom to spend on health.

Lifestyle segments such as Cardiovascular, Diabetes, CNS, Oncology will continue to be fast growing owing to increased urbanization and change in lifestyle patterns.

Indian Pharma market Therapy Contribution



Source : AIOCD March 2015 dataset

1. INDIA

The India formulations segment registered growth of 39% over the previous year on the back of improved performance of all chronic segments as well as recovery in the acute business through re-structuring initiatives taken up in the past year. Continuing efforts and strategic initiatives towards improving its market share through focus on brand building, productivity improvement, identifying opportunities in existing therapies and new therapies have been the focus areas for the Company. The integration of acquired Elder Pharma's domestic formulation business has further aided the growth of the India Business as the synergies in Pain, Nutraceuticals and Women Healthcare therapies have begun to yield results. The company continues to outperform the market in key therapies like CNS, Cardiology, Diabetes, Gastrointestinal and Dermatology.

The Company is now among the top 15 companies in the domestic market and has 9 brands in top 500 brands of the Indian Pharma market. The company ranks among the top 5 in Cardiology & CNS therapies and among the top 10 in Nutraceuticals and Gastrointestinal therapies. It also is among the fastest growing companies in therapies like Dermatology, Pain/Woundcare and Diabetes which are identified future growth drivers for the India Business.

Our strategic priorities remain i.e. to focus on driving productivity through brand building in major therapies, expanding the portfolio in newly entered segments and accelerating performance in the acute segment. The high potential of the Indian market is also because it is primarily a branded generics market and the influence of the physician remains high, allowing fair competition on the basis of product quality and scientific detailing. The company remains committed to invest in R&D for its new product pipeline (1st time launches) as well as Novel drug delivery systems.

Other than sharpening focus on Pain & Nutraceutical segments, the company also entered the Nephrology market through a new division launch in the year gone by. The company also entered into an exclusive licensing agreement with Reliance Life Sciences for marketing three biosimilars in India — Rituximab, Adalimumab and Cetuximab.

2. BRAZIL

Brazil is the largest pharmaceutical market in Latin America and the 6th largest in the world. The Brazilian pharmaceutical market is recently witnessing several dynamics like increased government coverage leading to inclusion of various new product in public procurement programs (Institutional market), emergence of hitherto backward and low income regions as drivers of market growth and consolidation and evolution of distribution channels.

The Pharma market in Brazil is estimated to be in range of USD 30-33 Bn which is expected to grow at a CAGR of 14% till 2018 with increase in share of Generics and Branded Generics over reference products.

During the year Brazilian operations registered revenue of ₹ 606 crores (Reai 242 Mn) with the growth of 14% (Reai Growth 24%) over previous year.

Among the Indian Companies, in terms of market share, Torrent ranks No. 1 with the second largest less than half of the size of Torrent (IMS dataset). The Company has 20 products under approval out of which 2 products are expected to be approved during the coming year. The Company has a development basket of 28 products with 5 products in the Cardio Vascular (CV) segment, 12 products in the Central Nervous System (CNS) segment 8 products in the Oral Anti Diabetic/obesity (OAD) segment and 3 products in other segments. The Company has a strong pipeline (products under development + under approval) of 48 products in the above therapies to augment future growth.

In view of the high growth in the pure generic segment, the Company has been building its product portfolio in this segment, with parallel filings of the Company's products in the CV, CNS, OAD and Other therapies. The Company has approvals of 40 products whereas 20 products are under approval. The total pipeline for this business consists of 48 products.

Generics

USA

Pharmaceutical spending growth in the United States is expected to rebound and grow in congruence with the global market as against a subdued growth over the past five years. In fact, growth in spending on medicines was higher in 2014 than any year since 2001, and exceeded forecast overall healthcare spending growth for the first time since 2011. As 2014 was also a landmark year in the implementation of the Affordable Care Act (ACA), understanding the specific drivers of medicine spending growth is important for decision makers across the healthcare system. ACA implementation is causing rapid change in the U.S. health care market, both directly from the legislation and through market-based changes.

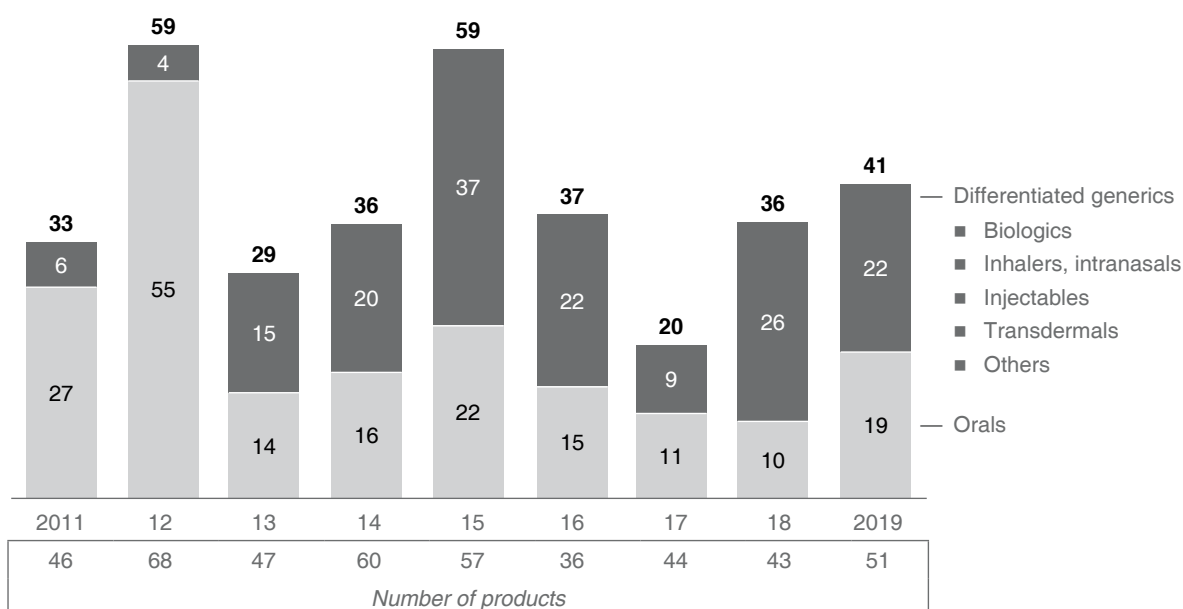
The U.S. pharmaceutical market remains the world's largest market. It is valued around USD 350Bn and is expected to grow at the CAGR of 5-8% till 2018. With the largest generic substitution of 80%(in volume terms), it again becomes the single largest generic market. Expected patent expiry in the industry in next 4 years will be majorly driven by the US, in which drugs worth USD 50 Bn are expected to go off patent.

The consolidation amongst generic purchasers from different class of trade has enhanced concentration of purchasing power and therefore requires the generic manufacturers to maintain their cost competitiveness as well as evolve their product portfolios to less competitive therapeutic areas and dosage forms.

Upcoming LOE opportunities will be dominated by differentiated generics products

Estimated worldwide sales of all products losing US patent protection in the year before patent expiry

USD billions



Source : McKinsey & Company : Generating Value In generics : Finding the next five years of growth

Torrent, despite being a late entrant in the US pharma market is ranked No 8 amongst the US generic Indian Companies and has a market share of around 10% in its covered market. Revenues from US operations were ₹ 832 crores (USD 132 Mn) during the financial year 2014-15 as compared to ₹ 776 crores (USD 125 Mn) during the previous financial year showing a growth of 7%. The growth during the year is subdued on account of higher revenues from one of the new launches in 2013-14. Adjusting for oneoffs, revenue grew by 54%

Given the future market moving towards complex products, Torrent is significantly ramping up its pipeline with products like Ointments, Injectables, Specialty Oral solids (oncology).

The Company received 6 ANDA approvals in 2014-15. The Company has 53 ANDA approvals (including 5 tentative approvals) and its pipeline consists of 19 pending approvals and 40 products under development. The US business is expected to contribute to the growth of international business in a significant way.

Europe and Others

Across the major developed markets, uncertainty exists to an unusual extent. The last five years in Europe have seen greater adoption of generics and more restrictive policies that have made patients in almost all European countries less likely to gain access to innovative medicines. In the next five years, whether Europe sees a widespread, patchy or severely limited economic recovery will have a profound impact on the overall contribution this important group of developed markets makes to overall innovative medicines spending.

1. Europe

The Company has presence in the following major markets of the Europe:

A. Germany

Germany is the fourth-largest pharmaceutical market in the world and the largest in Western Europe. It is valued around Euro 28 Bn and is expected to grow at a CAGR of 2-5% till 2018. Majority of the market is tender driven and it is expected to continue for foreseeable future which is putting the pressure on the margins of the industry.

Among the Generic players, Torrent holds the 6th position with a market share of 4.2% and is ranked No. 1 among Indian players in the Market. Revenues from Germany operations, during 2014-15, were ₹ 620 crores (Euro 80 Mn) with a growth of 8%.

B. Other Markets

Dossier out licensing and product supply business continues to be an important part of the Europe business for the Company; with revenues of ₹ 221 crores (Euro 27 Mn) during the financial year 2014-15

CONTRACT MANUFACTURING SEGMENT

This segment registered revenues of ₹ 276 crores during the year, a major portion of which is from manufacture of human insulin. The Company has been a stable partner for manufacture of human insulin for Novo Nordisk for their India market needs.

MANUFACTURING

The Company's state of art manufacturing facilities for formulation and API, have significantly contributed to the demand of high quality products and in sustaining its growth and success.

New capital investments:

The Company has set up a state of art formulation and API manufacturing facility at Dahej SEZ in Gujarat. The Company has started the process of getting the formulation plant approved by various regulatory authorities viz. USFDA, BfArM – Germany for International markets. The facility is expected to commercialize during the next year.

During the current year, the company has initiated an expansion of its current manufacturing facility at Sikkim. The additional capacities would be available within next two years time.

New facility for Oncology

As part of its portfolio diversification plans, the company is planning to enter critical care therapy segment for international markets by establishing integrated manufacturing facility for drug substances and drug products (API & formulations) in oncology. The plant is expected to become operational within next two years time.

Oyster Shell Plant

The company has set up a manufacturing facility for Oyster Shell powder (natural calcium source), an API for manufacture of Shelcal Brand.

RESEARCH AND DEVELOPMENT

Discovery Research

The Company is currently working on several in-house New Chemical Entities (NCE) projects within the areas of metabolic, cardiovascular and respiratory disorders. The Company has cumulatively filed 467 patents for NCEs from these and earlier projects in all major markets of which, 224 patents have been granted /accepted so far.

The most advanced discovery program of the Company is Advanced Glycation End-Products (AGE) Breaker, of which the Phase II clinical trials for the indication of diabetes associated heart failure in India and Europe is completed. Currently the scientific and commercial aspects for further clinical development of the NCE are being evaluated.

During the financial year 2012-13, the Company initiated Phase-II clinical trial in India with its second NCE for the reduction of cardio metabolic risks, the study reports of which are expected by the end of the coming financial year. The Company believes that this program is uniquely positioned to address the consequences of relative chronic over-nutrition which is assuming alarming proportions of health hazard in India, other emerging economies and also in the developed countries.

In the financial year 2013-14, the Company completed the Phase-I (SAD) clinical trial of its third NCE for the indication of acute kidney injury and in the financial year 2014-15, the molecule has progressed to multiple dose studies. Another Multiple Ascending Dose study for a second indication of inflammatory bowel disease has also been initiated and is expected to be completed by Q1 2016-17

There have been several changes in the regulations with respect to conduct of Clinical Trials and the manner in which trial related Adverse Events will be dealt with. We have evaluated the risks posed by these changes and have implemented several mitigation strategies as well as SOPs to deal with the evolving regulations.

There has been a slowing down of the clinical trial evaluation and approval process by the regulators. Product development has been affected as a consequence. While efforts are on at an industry level to get the process back on track, the progress is slow and a little difficult to predict.

The Company has published eleven well received research papers in above mentioned therapeutic areas, in peer reviewed international journals describing various findings of our NCE research.

THREATS, RISKS AND CONCERNS

Drug Price Control:

At present 348 bulk drugs and 654 formulations are covered under National List of Essential Medicines (NLEM). The National Pharmaceutical Pricing Authority (NPPA), the governing body for controlling and monitoring the prices of pharmaceutical products in India has further announced ceiling prices of certain non-scheduled anti-diabetic and cardiovascular products which has been challenged by the Industry in the Hon'ble Mumbai High Court. It is likely that the government may bring more drugs and formulations under price control or change the mechanism of calculating the ceiling price of the Drugs which are under the ambit of the revised policy, which in turn will affect the net margins of the Company. The Company manages its product portfolio so as to minimize the product weightage of drugs under price control.

New Product Approvals:

The success of any Company is dependent on the continuous launch of the new products in the market. In highly regulated business, the requirements to obtain regulatory approval based on a product's safety, efficacy and quality before it can be marketed for an indication in a particular country, as well as to maintain and comply with licenses and other regulations relating to its manufacture and marketing, are particularly important.

The submission of an application to regulatory authorities (which vary, with different requirements, in each region or country) may or may not lead to the grant of marketing approval. Regulators can refuse to grant approval or may require additional data before approval is given, even though the medicine may already be launched in other countries. In some instances, regulatory authorities require a Company to develop plans to ensure safe use of a marketed product before a product is approved, or after approval, if a new and significant safety issue is established.

The Industry is also subject to strict controls on the commercialization processes for products, including their development, manufacture, distribution and marketing.

The Company manages the risk through careful market research for selection of new products, detailed project planning and continuous monitoring.

Geographical expansion:

The development of the business in new markets is a critical factor in determining future ability to sustain or increase global product revenues. This poses various challenges including; more volatile economic conditions; competition from companies with existing market presence; the need to identify correctly and to leverage appropriate opportunities for sales and marketing; poor IP protection; the need to impose developed market compliance standards; inadvertent breaches of local and international law; not being able to recruit appropriately skilled and experienced personnel; identification of the most effective sales channels and route to market; and interventions by national governments or regulators restricting access to market and/or introducing adverse price controls.

However the Company carefully studies the business scenarios of the new market, prepares the business plan and undertakes various researches to reduce the risk at the minimal level.

Overseas markets:

The Company has expanded operations into select overseas markets of Latin America and European Union. Such expansion involves substantial business set up expenses, product pipeline development expenses and a gestation time before revenues begin to accrue. The Company faces the risk arising out of a failed or delayed market entry which may significantly affect the future profitability and financial position.

In the US, there is a continuing trend towards consolidation of certain customers groups such as wholesale drug distribution and retail pharmacies, as well as emergence of large buying groups. The consolidation may result into these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures. Additionally the emergence of large buying groups representing independent retail pharmacies and prevalence and influence of managed care organizations and similar institutions potentially enable those groups to attempt to extract price discounts on our products. The result of such developments could affect the sales volumes and price realizations of our products on an overall basis.

In Brazil where the Company sells branded generics, the pure generic competition could adversely affect development of branded business. Price erosions continue in the German generic market leading to shrinking operating margins. The insurance companies have been empowered to enter into rebate contracts and float tenders. Aggressive bidding by competitors could lead to unsuccessful bids in tenders exposing the Company to loss of existing sales. Likewise in other European markets, regulatory changes could affect price realizations. The risks are sought to be mitigated through careful market analyses, improved management bandwidth, marketing alliances and corporate management oversight.

A significant portion of the revenue in various markets would be derived from sales to limited number of customers. In case of experiencing loss of business from one such customer or difficulties experienced by the customer in paying us on timely basis, it may impact the business performance.

Manufacturing & Supplying Risk:

Although a major portion of our finished formulations are being manufactured at in-house facilities, we also depend on third party suppliers for sourcing in some of the markets. Any significant disruption at any of such in-house facilities or third party manufacturing locations due to internal, third party lapses even on the short term basis due to economic, political & social unrest or by any event which is *Force Majeure*, which may lead to impair our ability to produce, procure and ship products to the market on a timely basis and could expose us to penalty and claims from customers.

We purchase active pharmaceutical ingredient (API) and other materials that we use in our manufacturing operations from other foreign and domestic suppliers. Although the Company has a policy to actively develop alternate supply sources for key products subject to economic justification, there would be certain cases where we have listed only one supplier in our application with regulatory agencies. An interruption in the supply from single sourced material can impact the financial performance of the Company. In addition, our manufacturing capabilities could be impacted by quality deficiencies in the products which our supplier provide leading to impact on our financial performance.

Product liability risks:

The business is exposed to potential claims for product liability. These risks are sought to be managed by appropriate laboratory and clinical studies for each new product, compliance with Good Manufacturing Practices and independent quality assurance system. The Company also has an insurance cover for product liability.

Discovery research:

The key risks are high rate of failure and long gestation period of a discovery project coupled with significant upfront costs to be incurred before results are known. The Company today may not have resources to carry through a discovery project to final commercial stage for global markets. These risks are sought to be mitigated by seeking suitable alliances with partners at appropriate stage to share the risks and rewards of the project while continuing to develop the NCE's for India. We are also evaluating the feasibility to extend the market outside India where we have a reasonable understanding of the Branded products space.

Company undertakes clinical trials on an ongoing basis as part of its discovery research programme. Insurance is obtained to cover the risks associated with testing in human volunteers and the Company may be subject to claims that are not covered by the policy.

The bio equivalence (BE) facility is used for safety and efficacy studies for the generic products. The facility has been approved by the Indian, Brazilian and UAE authorities. The studies conducted at this facility have been approved by USFDA, European (Denmark, France and Austria) and Brazilian regulatory authorities.

New product risk:

New product development and launch involves substantial expenditure, which may not be recovered due to several factors including development uncertainties, increased competition, regulatory delays lower than anticipated price realizations, delay in market launch and marketing failure. The Company manages the risk through careful market research for selection of new products, detailed project planning and monitoring.

Litigation risks:

The Company faces the risk of high costs of litigation with the patent-holder in its business of international generic products. This risk is sought to be managed by a careful patent analysis prior to development & launch of the generic products and strategy of early settlement with the patent holders on case-to-case basis, particularly in the US market.

New capital investments:

The Company has commenced building a new formulation and API manufacturing facility at Dahej. The Company faces risks arising out of delay in implementation, cost overrun and inappropriate implementation. The capacities are built in anticipation of demand and the Company runs the risk of underutilization of capacities resulting in high manufacturing cost. The risks are sought to be mitigated by forming appropriate project management team and corporate management oversight.

Currency fluctuation risks:

Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earnings and net equity because of invoicing in foreign currencies, expenditures in foreign currencies, foreign currencies borrowing and translation of financial statements of overseas subsidiaries into Indian rupees. The Company has a defined foreign exchange risk management framework to manage these risks, excluding translation risks.

International Taxation:

We have potential tax exposure resulting from varying application of laws and interpretations which include intercompany transactions with our subsidiaries in relation to various aspects of our business. Although we believe our cross border transactions between affiliates are based on internationally accepted practices, tax authorities in various jurisdictions may have different views or interpretations and subsequently challenge the amount of profits taxed in their jurisdiction resulting into increase in tax liability, including interest and penalties causing the tax expenses to increase.

Future Acquisition proposals:

We continuously look for opportunities in order to expand our product line either through complimentary or strategic acquisitions of other companies, asset acquisition, licensing agreements or any other arrangement. Any such acquisitions, may involve significant challenges in terms of integration with existing operations which may lead to requiring considerable amount of time, resources and effort. This may lead to temporary disruption of ongoing business; affect relations with the employees, customers with whom we have been dealing.

Dependence on information technology:

We are highly dependent on information technology systems and related infrastructure. Any breakdown, destruction or interruptions of this system could impact the day to day operations. There is also a risk of theft of information, reputational damage resulting from infiltration of a data center, data leakage of confidential information either internally or otherwise. The Company has invested appropriately in the protection of data and information technology to reduce these risks.

HUMAN RESOURCES

The total employee strength of the Company at the end of financial year 2014-15 was 11,047 against 9,540 as at the end of financial year 2013-14, an increase of 1,507 employees. The field force increased by 1,005 employees from 4,062 at the end of financial year 2013-14 to 5,067 at the end of financial year 2014-15. The R&D centre had 835 employees (of which 674 were scientists) at the end of financial year 2014-15 compared with 817 (of which 662 were scientists) as at the end of financial year 2013-14, an increase of 18 employees. The worker strength at plant was 1,752 at the end of financial year 2014-15 compared with 1,585 at the end of financial year 2013-14. The remaining employee strength comprising mainly of head office personnel, non-worker employees at Chhatral and Baddi Plant, Sikkim Plant, Dahej Plant, branch & overseas offices employees increased to 3,393 at the end of financial year 2014-15 from 3,076 at the end of financial year 2013-14.

INTERNAL CONTROL SYSTEM

The Company has a reasonable system of internal control comprising authority levels and powers, supervision, checks and balances, policies and procedures. The system is reviewed and updated on an on-going basis. The Company continuously upgrades its internal control systems by measures such as strengthening of IT infrastructure and use of external management assurance services. The Company has in place a well-defined internal audit system whereby an internal audit is performed across locations of the Company and the results of the audit findings are reviewed by the Audit Committee.

RESULTS OF OPERATIONS FOR FINANCIAL YEAR 2014-15 COMPARED WITH FINANCIAL YEAR 2013-14

Summary Financial Information:

Particulars	2014-15		2013-14		%
	₹ Crores	% to Revenues	₹ Crores	% to Revenues	
Net Sales	4,585		4,036		14%
Operating Income	68		148		(54%)
Net Sales and Operating Income (Revenues)	4,653	100%	4,185	100%	11%
Gross Profit	3,239	70%	2,946	70%	10%
Selling, General and Admin expenses (SG&A)	2,010	43%	1,730	41%	16%
Research and development spend	191	4%	170	4%	12%
Forex Gain / (Loss)	241	5%	(105)	(3%)	
EBIDTA	1,279	27%	942	23%	36%
Depreciation/Amortization	191	4%	87	2%	119%
Net Interest expense/(Income)	149	3%	11	0%	
Profit before tax (PBT)	940	20%	844	20%	11%
Exceptional Items	-		-		
Profit before tax (PBT)	940	20%	844	20%	11%
Income Tax	189	4%	180	4%	5%
Profit after Tax (PAT)	751	16%	664	16%	13%

Net Sales and other operating income

Consolidated net sales grew by 14% to ₹ 4,585 crores from ₹ 4,036 crores in the previous year while the operating income was ₹ 68 crores compared to ₹ 148 crores in previous financial year.

EBIDTA

EBIDTA during the year stood at 27% compared to 23% in the previous showing an improvement by 4% mainly on account of forex gain. The SG&A and R&D expenses during the year have gone up 2% during the year compared to the previous year.

During the year the company expenses on discovery research cost amounted to ₹ 43 crores compared to ₹ 40 crores in the previous year.

Depreciation and amortization

Depreciation and amortization charge during the financial year 2014-15 was ₹ 191 crores as compared with ₹ 87 crores during the previous year. This includes amortization of intangibles relating to the acquired branded formulation business of Elder Pharmaceuticals during the year.

Net interest expense

Net Interest Expenses amounted to ₹ 161 crores compared to ₹ 21 crores during the previous financial year. The interest expenses are higher on account of the acquisition related borrowings during the year.

Income Tax

The income tax charge for the financial year 2014-15 stood at ₹ 189 crores compared to ₹ 180 crores in financial year 2013-14. Average income tax rate as a percentage of profit before tax is 20% for the year 2014-15 as compared to 21% for the year 2013-14.

Net profit after taxes

The net profit after taxes for the financial year 2014-15 was ₹ 751 crores compared with ₹ 664 crores during the previous financial year, an increase of 13%.

CAPITAL & DEBT

There was no change in the equity share capital during the year.

Out of the divisible profits of ₹ 751 crores (previous year ₹ 644 crores), a sum of ₹ 63 crores (previous year ₹ 76 crores) was transferred to General Reserve Account. Dividend of ₹ 190 crores (₹ 11.25 per share) is proposed during the year; previous year ₹ 169 crores (₹ 10 per share) was distributed. This represents an increase of 12.5% in dividend during the year. The distribution (including tax thereon) is approximately 30 % of profit after tax for the year (previous year 30%).

The net long-term borrowing increased by ₹ 1,445 crores during the year, to ₹ 2,421 crores at the end of financial year 2014-15 from ₹ 921 crores at the end of financial year 2013-14. Increase in long term borrowings is mainly attributable to acquisition of branded formulation business of Elder Pharmaceuticals Limited. Outstanding working capital loans were ₹ 319 crores (previous year ₹ 210 crores). The total debt to net worth (including deferred tax liability) ratio as at the end of financial year 2014-15 was 0.97 (previous year 0.47).

FIXED ASSETS

The net investment in fixed assets during the year was ₹ 2,026 crores; comprising addition in gross assets, capital advances and capital work in progress of ₹ 2,251 crores reduced by increase in accumulated depreciation of ₹ 166 crores. Addition to fixed assets mainly includes intangibles related to acquisition of domestic formulation business of Elder Pharmaceuticals Limited.

WORKING CAPITAL AND LIQUIDITY

The trade working capital i.e. the net working capital investment excluding cash and cash equivalents, short term borrowings, current maturity of long term debt increased by ₹ 284 crores from ₹ 662 crores at the end of financial year 2013-14 to ₹ 918 crores at the end of financial year 2014-15. Adjusting for accruals for health insurance contracts in Germany, the number of days of net trade working capital has increased from 124 days in 2013-14 to 126 days in 2014-15.

The liquidity of the Company as reflected by cash and bank balances and current investments reduced by ₹ 90 crores to ₹ 865 crores from ₹ 955 crores at the end of financial year 2013-14. The Company generated net cash of ₹ 810 crores from operations (after working capital changes) during financial year 2014-15 while it spent a net amount of ₹ 2,162 crores in investing activities mainly on acquisition of domestic formulation business of Elder Pharmaceutical Limited. Net cash flow generated in financing activities comprising dividend and interest paid and net debts taken, was ₹ 1,212 crores during financial year 2014-15.

For and on behalf of the Board

Ahmedabad
15th May, 2015

Samir Mehta
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

MAXIMUM GOVERNANCE – THE TORRENT WAY

While the Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereinafter “the Code”) through Clause 49 in the Listing Agreement executed by your Company with stock exchanges, Torrent has built its Corporate Governance practices on the three inviolable principles of TRANSPARENCY, INTEGRITY (comprehensive all round disclosure + financial controls) and ACCOUNTABILITY. This report sets out the governance systems and processes of the Company, as set out in Clause 49 for the financial year ended 31st March, 2015. The Company is in full compliance with the corporate governance norms as stipulated in Clause 49.

Torrent believes that while implementation of the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

1. BOARD OF DIRECTORS

Diversity, to encourage the emergence of full, frank and comprehensive discussions is the guiding principle in selecting the DNA of the Board. Your Company has a leading Academician, an accomplished Professional, a leading Legal Professional and two Accounting Professionals as its Independent Directors. The Research & Development focus, sharp entrepreneurial ability and years of experience are represented in the rest of the Board. The Board of Directors (“Board”) comprises of nine directors as on 31st March, 2015 of which seven are Non-Executive Directors (“NEDs”) (78% of the Board strength) and five are Independent Non-Executive Directors (“IDs”) (56% of the Board strength).

An annual calendar of meetings is established after consulting all Directors to facilitate their physical presence. It has been the Company’s endeavour to have meetings at various plants / locations of the Company too, apart from the Registered Office of the Company to get Directors to WITNESS the practices and to get under the skin of the Company’s business model.

During the financial year, the Board of the Company met four times on 9th May, 2014, 30th July, 2014, 5th November, 2014 and 28th January, 2015. Time elapsed between any two consecutive meetings never exceeded 120 days.

Details of the composition of the Board, the Board meetings held during the year, attendance of Directors at Board meetings and other related matters are as under:

Name & Designation of the Director	Category ⁴	No. of other Directorship held ³	No. of other Board Committees of which Member/Chairperson ³	No. of Board Meetings held during the tenure	Board meetings attended	Attendance at the last AGM
Shri Sudhir Mehta, Chairman Emeritus	NED	2	-	4	4	Yes
Shri Samir Mehta, Executive Chairman	MD	2	1 (Member)	4	4	Yes
Shri Markand Bhatt	NED	1	-	4	4	Yes
Shri Shailesh Haribhakti ¹	ID	9	5 (Chairman) 3 (Member)	4	4	Yes
Shri Haigreve Khaitan ¹	ID	9	1 (Chairman) 5 (Member)	4	3	No
Shri Pradeep Bhargava ¹	ID	5	2 (Chairman) 2 (Member)	4	4	Yes
Smt. Bhavna Doshi ^{1& 2}	ID	8	4 (Chairman) 2 (Member)	3	3	NA
Prof. Ashish Nanda ¹	ID	3	-	3	3	NA
Dr. Chaitanya Dutt, Director (Research & Development)	WTD	Nil	Nil	4	4	Yes

Notes:

- 1 Shri Shailesh Haribhakti, Shri Haigreve Khaitan and Shri Pradeep Bhargava were appointed as Independent Directors of the Company for a period of five consecutive years effective from 1st April, 2014.
Prof. Ashish Nanda and Smt. Bhavna Doshi were appointed as Independent Directors of the Company for a period of five consecutive years effective from 30th July, 2014.
- 2 Smt. Bhavna Doshi ceased to be a Director of the Company due to her resignation with effect from conclusion of the Board meeting on 15th May, 2015.
- 3 These numbers exclude the directorship / committee membership held in the Company and in private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the chairmanship / membership of the Audit Committee and Stakeholders' Relationship Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Clause 49 of the Listing Agreement, which were placed before the Board.
- 4 NED – Non-Executive Director (excluding ID); ID – Independent Director; MD – Managing Director; WTD – Whole-time Director; NA - Not Applicable.

Except Shri Sudhir Mehta and Shri Samir Mehta, who are related to each other as brothers, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

Shri Markand Bhatt is liable to retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. Relevant details pertaining to Shri Markand Bhatt are provided in the Notice of the AGM.

The Board revised the tenure of appointment of Dr. Chaitanya Dutt, Director (Research & Development) till 31st December, 2017 alongwith other terms of his appointment, subject to the approval of the shareholders.

Smt. Renu Challu was recommended by the Board in its meeting on 15th May, 2015 to be appointed as an Independent Director of the Company at the AGM of the Company scheduled to be held on 27th July, 2015 for a term of three (3) consecutive years effective from 27th July, 2015.

All IDs of the Company have furnished declarations that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. These were placed before the Board.

During the financial year, the five IDs of the Company met on 19th February, 2015 under the chairmanship of Prof. Ashish Nanda without the presence of non-independent directors or management personnel to review the performance of Non-Independent Directors, the Board and its Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board. The terms and conditions of appointment of Independent Directors are incorporated on the website of the Company www.torrentpharma.com.

2. AUDIT AND RISK MANAGEMENT COMMITTEE

In accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board of Directors had constituted an Audit Committee. The constitution of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013.

During the year under review, five meetings of the Committee were held on 9th May, 2014, 30th July, 2014, 5th November, 2014, 28th January, 2015 and 3rd March, 2015. Time elapsed between two meetings never exceeded 120 days.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation	Category of Directorship	Qualification	No. of meetings held during the tenure	No. of meetings attended
Shri Shailesh Haribhakti, Chairman	ID	F.C.A.	5	5
Shri Pradeep Bhargava	ID	B. Sc. (Honours), B.E. (EC), MBA (IIMA)	5	5
Shri Haigreve Khaitan	ID	LL. B.	5	4

The Chairman of the Committee attended the last AGM of the Company.

The Company Secretary acts as the Secretary to the Committee. In addition, the Committee meetings are attended by the Chief Financial Officer, Vice President (Finance), Statutory Auditors and Internal Auditors. Cost Auditor and other related functional Executives of the Company also attend meetings when required.

The Committee holds private meetings with Statutory Auditors and Internal Auditors on one to one basis and has ascertained that they have no unexpressed concerns. During the year a special Audit Committee meeting outside the quarterly meetings was held to focus attention on important judgement areas.

The Board has expanded the role of the Committee to cover enterprise risk management and accordingly re-designated the Audit Committee as Audit and Risk Management Committee.

The principal terms of reference of the Committee as approved by the Board and as revised / updated from time to time by the Board are:

1. FINANCIAL INFORMATION REVIEW

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - A. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - B. Changes, if any, in accounting policies and practices and reasons for the same;
 - C. Major accounting entries involving estimates based on the exercise of judgment by management;
 - D. Significant adjustments made in the financial statements arising out of audit findings;
 - E. Compliance with listing and other legal requirements relating to financial statements;
 - F. Disclosure of any related party transactions; and
 - G. Qualifications, if any, in the draft audit report.
- iii. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- iv. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.
- v. To review the following information:
 - A. Management discussion and analysis of financial condition and results of operations;
 - B. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - C. Management letters / letters of internal control weaknesses issued by the statutory auditors if any;
 - D. Internal audit reports.
- vi. To review the financial statements of subsidiaries in particular, the investments made by unlisted subsidiaries of the Company.

2. INTERNAL CONTROLS AND POLICIES FOR MAINTAINING VIGIL

- i. Scrutiny of inter-corporate loans and investments.
- ii. Valuation of undertaking's or assets of the company, wherever it is necessary.
- iii. Evaluation of internal financial controls and risk management systems.
- iv. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- v. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- vi. To review the functioning of the Whistle Blower mechanism.
- vii. Recommend to the Board for approval of the appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- viii. Investigate any matter referred to it by the Board or within its terms of reference.

3. RELATIONSHIP WITH STATUTORY, INTERNAL & COST AUDITORS

- i. Recommend to the Board for appointment, reappointment, remuneration and terms of appointment and, if required, the replacement or removal of Statutory Auditors of the Company.
- ii. Approval of payments to Statutory Auditors for any other services rendered by them.
- iii. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- iv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- v. Reviewing the adequacy of internal audit function including the structure of the internal audit conducted by Internal Auditors.
- vi. Discussion with internal auditors of any significant findings and follow up there on.
- vii. Recommending to the Board the terms of appointment, reappointment and if required, the replacement or removal of cost auditors and internal auditors & fixation of their fees & fees for other services.
- viii. Reviewing with the management, performance of statutory, cost and internal auditors.

4. RISK MANAGEMENT

- i. Formulating and recommending the Risk Management Policy Procedures and Plans to the Board.
- ii. Monitoring and reviewing the risk management plan.

5. RELATED PARTY TRANSACTIONS

Approval of transactions with related parties after ascertaining whether they are at arms length and in the ordinary course of business keeping the Board informed on such transactions and its approval taken, wherever required.

The Committee has full access to information and records of the Company and can seek information from any employee of the Company. The Committee may access external professionals and obtain legal advice, if so required in discharge of its functions.

In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, 2013, listing agreement or any other applicable laws.

3. SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

Torrent's Securities Transfer and Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

During the year, the Committee met nine times on 4th April, 2014, 9th June, 2014, 9th July, 2014, 4th August, 2014, 1st October, 2014, 4th December, 2014, 5th January, 2015, 28th January, 2015 and 24th February, 2015.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation of Director	Category	No. of meetings held during the tenure	No. of meetings attended
Shri Sudhir Mehta, Chairman	NED	9	8
Shri Markand Bhatt	NED	9	8
Shri Samir Mehta	MD	9	9

Mahesh Agrawal, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee and was also the designated Compliance Officer for such matters.

99.44% of the equity shares of the Company are held in dematerialised form & the handling of physical transfer of shares is minimal. No transfer of equity shares is pending as on 31st March, 2015.

During the year the Company has received 5 complaints from shareholders and the same were attended within a reasonable period of time. No complaint was pending as on 31st March, 2015.

4. APPOINTMENT & REMUNERATION OF DIRECTORS

Nomination and Remuneration Committee

The Nomination and Remuneration Committee recommends the appointment of directors and remuneration of such directors other than Independent Directors. The level and structure of remuneration of senior management of the Company as per the Remuneration Policy is also overseen by this Committee.

During the year under review, five meetings of the Committee were held on 9th May, 2014, 30th July, 2014, 5th November, 2014, 28th January, 2015 and 19th February, 2015.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation of Director	Category	No. of meetings held during the tenure	No. of meetings attended
Prof. Ashish Nanda, Chairman ^{1&2}	ID	3	3
Shri Markand Bhatt	NED	5	4
Shri Pradeep Bhargava ³	ID	4	4
Shri Shailesh Haribhakti ⁴	ID	2	2
Smt. Bhavna Doshi ¹	ID	3	3

1 Prof. Ashish Nanda and Smt. Bhavna Doshi were appointed as a Member of the Committee with effect from 30th July 2014.

2 Prof. Ashish Nanda was elected as the Chairman of the Nomination and Remuneration Committee at their meeting held on 5th November, 2014.

3 Shri Pradeep Bhargava ceased to be a Member of the Committee with effect from 30th July, 2014 and was subsequently reappointed as Member with effect from 28th January, 2015.

4 Shri Shailesh Haribhakti ceased to be a Member of the Nomination and Remuneration Committee on 30th July, 2014.

Mahesh Agrawal, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee.

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Nomination and Remuneration Committee has the following principal terms of reference:

1. To evaluate and recommend the composition of the Board of Directors and sub-committees thereof.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down by the Committee.
3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP).
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors.
5. Devising a Policy on Board Diversity.
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
7. Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time.
8. The Committee shall, while formulating the policy, ensure the following:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
9. To undertake related activities, functions and duties as the Board of Directors may from time to time, after deliberations, prescribe or as may be required to be undertaken in terms of any statutory or regulatory provisions including Companies Act, 2013 and rules made there under and Listing Agreement with stock exchanges.
10. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.

Remuneration Policy, details of remuneration and other terms of appointment of Directors

The Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement Strategy, thereby enhancing the business value and maintaining a high performance workforce. The policy ensures that the level and composition of remuneration of the Whole-time Directors / Executive Directors are optimum. Remuneration package for Executive Directors are designed with optimum combination of fixed component and / or performance linked pay reflecting the physical (quantitative and qualitative) and financial performance of the Company. The salient features of the Remuneration Policy form a part of the Director's Report.

Appointment & Remuneration of Executive Chairman / Whole-time Director

The Appointment and Remuneration of Shri Samir Mehta as Executive Chairman of the Company was decided by the Board and approved by the shareholders at the meeting held on 30th July, 2014. This appointment is for a period of five years effective from 30th July, 2014.

Appointment and Remuneration of Dr. Chaitanya Dutt, Director (Research & Development) was decided by the Board and approved by the shareholders at the AGM held on 30th July, 2014 effective from 1st January, 2015 for a period of two years up to 31st December, 2016 and subsequently changed to three years with revised remuneration subject to approval of shareholders.

Remuneration of Non-Executive Directors including Independent Directors

1. The shareholders, at the Annual General Meeting held on 30th July, 2011, approved the payment of commission to the Directors of the Company who are neither in the whole time employment nor managing director(s) (NEDs), in accordance with and upto the limit laid down under the provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof), 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 1st April, 2010. Further, the Board has approved, at the Board meeting held on 9th May, 2014, the payment of sitting fees at the rate of ₹ 1 lac per meeting to the NEDs for each of Board or Committee meeting attended by them, subject to the applicable service tax, with effect from 1st April, 2014 in accordance with the provisions of Section 197(5) of the Companies Act, 2013 read with the Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. The Board or its committee specifically authorised for this purpose shall determine the manner and extent upto which the commission shall be paid to the NEDs. The commission shall be determined based on the participation of the Directors in the meetings of Board and / or committees thereof and other affairs of the Company.
3. In case of absence or inadequacy of profits in any financial year, the NEDs shall be paid such remuneration as approved by the Board or its committee authorised for the purpose for such financial year, subject to such approval as may be necessary.
4. The commission for any financial year shall become due on approval by the Board of the amount of such commission and of the financial statements for that year.

Details of remuneration of Directors for the year ended 31st March, 2015 are as under:

(₹ in lacs)

Name & Designation of Director ^{\$}	Salary & Perquisites	Commission ^{##}	Sitting Fees ⁺⁺	Total
Shri Sudhir Mehta, Chairman Emeritus	Nil	500.00	Nil	500.00
Shri Samir Mehta, Executive Chairman	1.52 ^{**}	1000.00	Nil	1001.52
Shri Markand Bhatt ^{\$\$}	Nil	Nil	Nil	Nil
Shri Shailesh Haribhakti	Nil	17.00	12.00	29.00
Shri Haigreve Khaitan	Nil	13.00	8.00	21.00
Shri Pradeep Bhargava	Nil	17.00	17.00	34.00
Smt. Bhavna Doshi	Nil	9.00	8.00	17.00
Prof. Ashish Nanda	Nil	9.00	7.00	16.00
Dr. Chaitanya Dutt, Director (Research & Development)	476.79 ^{**}	Nil	Nil	476.79
Total	478.31	1565.00	52.00	2095.31

Notes:

- ^{\$} The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the shareholders and applicable rules of the Company. None of the Directors are entitled to severance fees.
- [#] Includes arrears of salary, house rent allowance, contribution to provident / gratuity / superannuation funds and perquisites.
- ^{##} Commission as approved by the Board pursuant to the shareholders approval and subject to maximum limit specified in the Companies Act, 2013.
- ⁺⁺ Sitting Fees as approved by the Board under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- ^{**} In addition they are covered under group personal accident and group mediclaim policy as per Company's Rules.
- ^{\$\$} Shri Markand Bhatt though eligible for commission and sitting fees, waived his right to receive the same.

Directors have not been granted any stock options during the year.

Khaitan & Co. and Khaitan & Co. LLP., the law firms in which Shri Haigreve Khaitan, an Independent Director, is a partner, were paid ₹ 40.57 lacs as professional fees for legal services provided during the year. Apart from above, there were no other pecuniary relationships / transactions with the Independent Directors vis-à-vis the Company.

Shareholding of Non-Executive Directors

Details of the equity shares held by Non-Executive Directors as on 31st March, 2015 are as under:

Name of the Director	Nos. of Equity shares
Shri Sudhir Mehta	7,602,856*
Shri Markand Bhatt	10,200**
Shri Shailesh Haribhakti	6,000

* Including shares held as Karta of HUF.

** Held jointly with Shri Gunjan Bhatt (son of Shri Markand Bhatt being independent) as first holder and Shri Markand Bhatt as second holder.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee, interalia, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy.

During the year under review, three meetings of the Committee were held on 9th May, 2014, 30th July, 2014 and 28th January, 2015.

The composition of the Committee as well as the particulars of attendance at the Committee meeting during the year and other related details are given in the table below:

Name & Designation of Director	Category	No. of meetings held during the tenure	No. of meetings attended
Shri Pradeep Bhargava, Chairman ¹	ID	3	3
Shri Markand Bhatt ²	NED	2	2
Smt. Bhavna Doshi ²	ID	1	1
Dr. Chaitanya Dutt	WTD	3	3

1. Shri Pradeep Bhargava was elected as Chairman of the Committee by the Members of the Committee at its meeting held on 9th May, 2014.
2. Smt. Bhavna Doshi was inducted and Shri Markand Bhatt ceased to be Member of the Committee with effect from 30th July, 2014.

Mahesh Agrawal, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee.

6. GENERAL BODY MEETINGS

Details of the AGM held during last three years are as under:

AGM	Date	Time	Venue	No. of special resolutions passed
39 th AGM	23-Jul-12	09:30 AM	J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad	-
40 th AGM	26-Jul-13	09:30 AM	-- do --	-
41 st AGM	30-Jul-14	09.30 AM	-- do --	-

During the year under review, the Company sought approval from the shareholders by Postal Ballot for the following proposals:

Date of Notice	Proposal	No. & % of votes casts in favour	No. & % of votes casts against	Date of passing of resolutions
28 th January, 2015	Special Resolution No. 1 for Issuance of Equity Shares including Convertible Bonds / Debentures through Qualified Institutional Placement (QIP) and / or Depository Receipts or any other modes for an amount not exceeding ₹ 3,000 crore	149006543 (99.76%)	362847 (0.24%)	9 th March, 2015
	Special Resolution No. 2 for Enhancement in Borrowing Limits from existing ₹ 5,000 crores to ₹ 10,000 crores	136135790 (90.96%)	13537400 (9.05%)	
	Special Resolution No. 3 for Creation of Charge on Company's properties / assets	136353849 (91.10%)	13319291 (8.89%)	
	Special Resolution No. 4 for Issuance of Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds by way of Private Placement for an amount not exceeding ₹ 7,500 crores, subject to overall borrowing limits of ₹ 10,000 crores	136006157 (90.87%)	13667533 (9.13%)	
	Special Resolution No. 5 for Increase in the Foreign Institutional Investors ("FI") / Foreign Portfolio Investors ("FPI") / Non-Resident Indians ("NRI") shareholding limits in the paid up share capital of the Company	149667059 (99.99%)	6661 (0.00%)	

Shri Rajesh Parekh, Practising Company Secretary, was appointed as Scrutinizer and has conducted the Postal Ballot for the aforesaid proposals.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process during the year for approving the resolutions mentioned above.

All of the aforesaid resolutions were passed by the shareholders by overwhelming and requisite majority.

At present there is no proposal to pass any resolution through postal ballot.

7. DISCLOSURES

a. Legal Compliances

The Company follows a formal management policy and system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

There were no instances of material non-compliance and no penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

b. Code of Business Conduct

The Board had revised the Code of Business Conduct in line with the provisions of the Companies Act, 2013 in their meeting held on 5th November, 2014. The Code of Business Conduct adopted by the Company has been posted on the website of the Company. The Members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Business Conduct for the effective period. The declaration by the Executive Chairman to that effect forms part of this report as Annex 1.

c. Related Party Transactions

Pursuant to Clause 49 of the Listing Agreement and applicable provisions of the Companies Act, 2013, the Company has formulated Related Party Policy for dealing with Related Party transactions. Transactions with every Related Party were entered as per the provisions of the law and the Related Party Policy. A copy of the Related Party Policy for dealing with Related Party transactions is available on the website http://www.torrentpharma.com/pdf/Related_Party_Transactions_Policy.pdf.

The Company has also formulated Policy on determining material Subsidiaries as required under Clause 49 of the Listing Agreements. A copy of the policy on determining material Subsidiaries is available on the website: http://www.torrentpharma.com/pdf/Policy_for_determining_Material_Subsidiaries.pdf.

Transactions with related parties are disclosed in detail in Note 43 annexed to the financial statements for the year. All the Related Party transactions are duly approved by Audit and Risk Management Committee / Board as required under the provisions of the Companies Act, 2013 and Listing Agreement, as well as the Related Party Policy of the Company.

d. CEO / CFO Certification

The Executive Chairman and Chief Financial Officer (CFO) of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Executive Chairman and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

e. Details of unclaimed shares as per Clause 5A of the Listing Agreement

Pursuant to Clause 5A of the Listing Agreement, the shares remaining unclaimed by the shareholders were transferred by the Company during the financial year 2011-12 to the "Torrent Pharmaceuticals Limited - Unclaimed Suspense Account". The voting rights on such shares shall remain frozen till the rightful owner claims the shares. During the year, on the basis of requests received from some of the shareholders, the Company credited the shares from said Account to the individual account of the related shareholders to the extent of their entitlement. The details as required under Clause 5A. II (h) of the Listing Agreement are as under:

Particulars	Number of shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 st April, 2014	203	1,11,240
Number of shareholders who approached the Company / Registrars and Transfer Agents (RTA) for transfer of shares from Unclaimed Suspense Account during the year ended 31 st March, 2015	4	2,040
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31 st March, 2015	4	2,040
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31 st March, 2015	199	1,09,200

f. Whistle Blower Policy

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the stakeholders to raise concerns about any misconduct or unacceptable practice.

The Company has adopted a Whistle Blower Policy through which the Company has institutionalized a mechanism for the Stakeholders to disclose their concerns and grievances on Unethical Behaviour and Improper / Illegal Practices and Wrongful Conduct taking place in the Company for appropriate action.

This was also the subject matter of the 'Founder's Day' attended by every employee of the Company. Awareness was created about the tone at the top. Protected Disclosures relating to financial matters are to be reported to the Chief Financial

Officer (CFO) of the Company while those relating to the non-financial matters are to be reported to the Chief Executive Officer (CEO) of the Company, with a copy to the Chairman of Audit and Risk Management Committee in all such cases and where the Protected Disclosure involves a CFO or CEO or Director of the Company, such Protected Disclosure may be made by any Stakeholder directly to the Chairman of Audit and Risk Management Committee.

Such Protected Disclosures can be made through a phone call, email or in writing.

Through this Policy, the Company provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation.

g. Policy on protection of Women against Sexual Harassment at Work Place

The Company is committed to creating a healthy & conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and / or any such orientation in implicit or explicit form. The Company considers sexual harassment as a gross misconduct. Pursuant to the provisions of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” and Rules made thereunder, the Company has adopted a “Policy on Protection of Women Against Sexual Harassment at Work Place” with effect from 1st March, 2014 by replacing the policy earlier adopted by the Company. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints relating to matters connected therewith or incidental thereto.

Pursuant to the Policy, the Company has formed a Complaint Redressal Committees at each administrative unit / office of the Company with majority women members. During the year, no case was reported under the Policy.

h. Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by Clause 49. The non-mandatory requirements complied with have been disclosed at the relevant places.

8. COMMUNICATION TO SHAREHOLDERS

During the year, audited quarterly and audited annual financial results on standalone basis and un-audited quarterly and audited annual financial results on a consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these and were published in leading newspapers viz. The Financial Express and The Indian Express in all edition of English language and The Financial Express in Gujarati language. These were also promptly put on the Company’s website www.torrentpharma.com. All official news release of relevance, quarterly results and presentations made by the Company to investors / analysts were also made available on the Company’s website for a reasonable period of time. The Company plans to send soft copies of Annual Report 2014-15 to those shareholders whose email IDs are registered with the Depository Participants (DPs) and / or with the Company’s Registrars and Transfer Agents, unless opted by them to get the physical copy, to support the “Green Initiative in Corporate Governance”, an initiative taken by the Ministry of Corporate Affairs (MCA).

9. GENERAL SHAREHOLDER INFORMATION

a. 42nd AGM

Date & Time	Monday, 27 th July, 2015 at 09:30 AM
Venue	J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad

b. Tentative Financial Calendar for the year 2015-16

Financial year	1 st April to 31 st March
First Quarter results	Fourth week of July 2015
Half Yearly results	Fourth week of October 2015
Third Quarter results	Fourth week of January 2016
Results for year-end	Second week of May 2016

c. Date of Book Closure

17th June, 2015 to 19th June, 2015 (both days inclusive)

d. Dividend payment date

The proposed dividend, if approved at the ensuing AGM will be distributed on or around 31st July, 2015.

e. Listing on Stock Exchanges and Security Codes

Name of Stock Exchange	Security Code
BSE Limited, Mumbai (BSE)	500420
National Stock Exchange of India Limited, Mumbai (NSE)	TORNTPHARM

The Company has paid the annual listing fees for the year 2015-16 to both the above stock exchanges.

f. Market Price Data

The closing market price of equity share on 31st March, 2015 (last trading day of the year) was ₹ 1160.85 on BSE & ₹ 1158.60 on NSE.

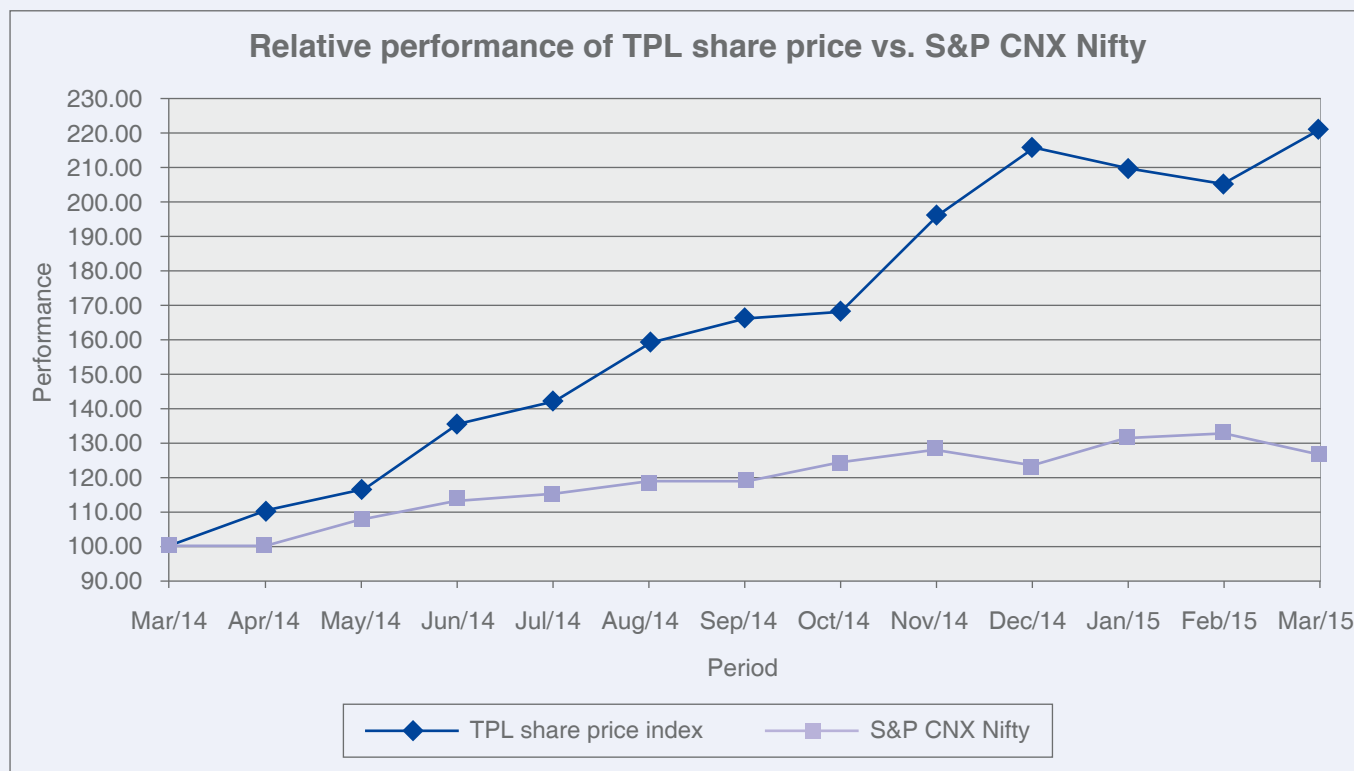
The monthly movement of equity share prices during the year at BSE & NSE are summarized below:

Monthly Share Price movement during the financial year ended 31 st March, 2015 at BSE & NSE (share price in ₹)						
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-14	607.70	523.00	335,730	644.00	520.25	2,262,658
May-14	688.70	569.50	645,152	689.00	571.75	4,311,460
Jun-14	722.45	608.85	521,268	723.95	607.10	1,886,963
Jul-14	785.00	655.50	491,782	785.00	659.50	2,034,916
Aug-14	852.00	725.00	201,212	854.00	734.00	1,440,554
Sep-14	939.95	825.00	228,241	933.70	793.00	1,861,074
Oct-14	932.80	810.25	136,628	934.00	811.10	1,345,652
Nov-14	1063.55	883.75	225,787	1065.00	882.00	1,483,604
Dec-14	1188.00	966.00	318,816	1187.80	965.00	2,555,968
Jan-15	1231.70	1071.75	304,389	1223.00	1073.20	1,898,464
Feb-15	1166.75	1033.00	153,301	1166.00	1030.10	1,390,856
Mar-15	1173.50	1054.90	161,556	1175.00	1050.00	2,167,055
Total			3,723,862	24,639,224		
% of volume traded to outstanding shares			2.20%	14.56%		

The performance of the equity share price of the Company vis-à-vis the S&P CNX Nifty at NSE is as under:

Month	TPL Share Price at NSE**	S&P CNX Nifty**	Relative Index for comparison purpose	
			TPL share price index	S&P CNX Nifty
Mar-14	524.25	6704.20	100.00	100.00
Apr-14	578.00	6696.40	110.25	99.88
May-14	611.35	7229.95	116.61	107.84
Jun-14	710.05	7611.35	135.44	113.53
Jul-14	743.70	7721.30	141.86	115.17
Aug-14	832.75	7954.35	158.85	118.65
Sep-14	871.45	7964.80	166.23	118.80
Oct-14	881.90	8322.20	168.22	124.13
Nov-14	1027.55	8588.25	196.00	128.10
Dec-14	1130.35	8282.70	215.61	123.54
Jan-15	1099.70	8808.90	209.77	131.39
Feb-15	1074.40	8901.85	204.94	132.78
Mar-15	1158.60	8491.00	221.00	126.65

** closing data on the last day of the month



g. Distribution of shareholding as at 31st March, 2015

By size of shareholding:

Category (Shares)	Mode of Holding	No. of Shares	% To Equity	No. of Holders	% To Holders
1-1,000	Electronic	4,284,871	2.53	28,710	90.60
	Physical	778,419	0.46	1,596	5.04
1,001-2,000	Electronic	978,830	0.58	642	2.03
	Physical	110,400	0.07	69	0.22
2,001-10,000	Electronic	1,692,243	1.00	401	1.27
	Physical	64,800	0.04	17	0.05
10,001-20,000	Electronic	1,134,698	0.67	80	0.25
	Physical	0	0.00	0	0.00
Above 20,000	Electronic	160,178,459	94.66	172	0.54
	Physical	0	0.00	0	0.00
	Electronic	168,269,101	99.44	30,005	94.69
	Physical	953,619	0.56	1,682	5.31
	Total:	169,222,720	100.00	31,687	100.00

By category of shareholders:

Category	No. of Shares		Total Shares	% of Holding
	Electronic	Physical		
Promoter's Group	34,449,248	0	34,449,248	20.36
Mutual Fund and UTI	11,380,019	800	11,380,819	6.73
Bank, FIs & Insurance Companies	72,588	0	72,588	0.04
Foreign Institutional Investors / QFIs / NRIs	21,064,247	0	21,064,247	12.45
Other Bodies Corporate	88,562,778	9,560	88,572,338	52.34
Indian Public	12,740,221	943,259	13,683,480	8.09
Total	168,269,101	953,619	169,222,720	100.00

h. Dematerialisation of securities

The equity shares of the Company are traded compulsorily in the dematerialized segment of all the stock exchanges and are under rolling settlement. Approximately 99.44% of the shares have been dematerialised. Shares held by promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE685A01028.

i. Share transfer system

To expedite the transfer of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the Company. The transfers which are complete in all respects are taken up for approval generally every ten days and the transferred securities dispatched to the transferee within fifteen days. The details of transfers / transmission approved by the delegates are noted by the Securities Transfer and Stakeholders Relationship Committee at its next meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Limited & Central Depository Services (India) Limited. The transfer of shares in depository mode need not be approved by the Company.

j. Outstanding GDRs / ADRs / Warrants / any other convertible instruments

The Company does not have any outstanding instruments of the captioned type.

k. Registered Office

Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India

Phone: + 91 79 26585090 / 26583060

Fax: + 91 79 26582100

l. Plant Locations

1. Village Indrad, Taluka Kadi, Dist. Mehsana (Gujarat)

2. Village Bhud, Baddi, Teh. Nalagarh, Dist. Solan (Himachal Pradesh)

3. 32 No. Middle Camp, NH-31A, East District, Gangtok (Sikkim)

m. Dahej Project Site

Plot No. Z104-106, Dahej SEZ Phase II, Taluka Vagra, Dist. Bharuch (Gujarat)

n. Research & Development Facility

Village Bhat, Dist. Gandhinagar - 382 428 (Gujarat)

o. Compliance Officer

Mahesh Agrawal

VP (Legal) & Company Secretary

Torrent Pharmaceuticals Limited

Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India

Phone: + 91 79 26585090 / 26583060 Fax: + 9179 26582100

Email Id: maheshagrawal@torrentpharma.com

p. Investor services

Email Id: investorservices@torrentpharma.com

q. Registrars & Transfer Agents (RTA)

KARVY COMPUTERSHARE PRIVATE LIMITED

Unit: Torrent Pharmaceuticals Limited

Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District,

Gachibowli, Hyderabad - 500 008, India

Phone: + 91 40 67162222

Fax: + 91 23001153

Contact person: K. S. Reddy

E-mail: einward.ris@karvy.com

For & on behalf of the Board

Ahmedabad

15th May, 2015

Samir Mehta

Executive Chairman

ANNEX 1 TO CORPORATE GOVERNANCE REPORT

To

The Shareholders,

Affirmation of Compliance with Code of Business Conduct

I, Samir Mehta, Executive Chairman, declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Business Conduct for the period from 1st April, 2014 or the date of their joining the Company, whichever is later to 31st March, 2015 from all Members of the Board and employees under Senior Management Cadre comprising CEO / Executive Directors (not a Member of the Board), Vice Presidents and General Managers.

Ahmedabad

15th May, 2015

Samir Mehta

Executive Chairman

Standalone Financial Statements 2014-15

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TORRENT PHARMACEUTICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 7 & 33 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 117365W)

(Hemendra Shah)

Partner
(Membership No. 33590)

Ahmedabad,
15th May, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified over a period of three years by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on such verification have been properly dealt with in the books of account.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax/VAT, Service Tax, Excise Duty, Cess and Employees' State Insurance which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Crores)
West Bengal Sales Tax Act, 1994	Demand of Tax	Taxation Tribunal, West Bengal	2004-05	0.10
West Bengal Value Added Tax Act, 2003	Demand of Tax	Addl.C.C.T, West Bengal	2005-06 to 2008-09	1.34
		Joint Commissioner Commercial Tax, West Bengal	2010-11	0.47
Uttar Pradesh Trade Tax Act, 1948	Demand of Tax	Joint Commissioner Commercial Tax, Uttar Pradesh	2003-04 and 2005-06	0.41
Uttar Pradesh Trade Tax Act, 2008	Demand of Tax	Joint Commissioner Commercial Tax, Uttar Pradesh	2010-11	0.50
	Demand of Penalty	Tribunal, Uttar Pradesh	2009-10	0.02

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Crores)
The Orissa Value Added Tax Act, 2004	Demand of Tax	Additional Commissioner of Sales Tax, Orissa	2004-05 to 2008-09	0.13
The Maharashtra Value Added Tax Act, 2002	Demand of Tax	DC Appeals	2006-07	0.85
The Kerala Value Added Tax Act, 2003	Demand of Tax	DC Appeals	2007-08	0.69
The Central Excise Act, 1944	Cenvat Credit / Input Service Tax / Demand of Duty and penalty	Assistant Commissioner Central Excise Gangtok division	2012-13	0.05
		CESTAT	2005-06 to 2011-12	0.39
		Commissioner (Appeals)	2006-07	0.02
		Commissioner Siliguri	2011-12	1.91
		Dy. Commissioner Central Excise Kalol	2013-14	0.06
	Recovery for rebate	Assistant Commissioner Central Excise Shimla division	2013-14	0.00
Finance Act, 1994	Demand of Penalty	CESTAT	2006-07 to 2012-13	2.38
		Assistant Commissioner - Division II, Service tax	2009-10 to 2014-15	0.01
	Demand of tax and penalty	Commissioner, Service tax Ahmedabad	2012-13 & 2013-14	6.99
		Additional Commissioner, Service tax Ahmedabad	2011-12 to 2013-14	0.53
The E.S.I Act, 1948	E.S.I Contribution	Gujarat High Court	1993-94 to 2012-13	7.01
Income Tax Act, 1961	Demand of Tax	Commissioner of Income Tax (Appeals)	2004-05 & 2008-09	0.59

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding the financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm's Registration No. 117365W)

Hemendra Shah

Partner

(Membership No. 33590)

Ahmedabad

15th May, 2015

BALANCE SHEET

	Notes	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	84.62	84.62
Reserves and surplus	3	2,620.97	2,205.19
		2,705.59	2,289.81
Non-current liabilities			
Long-term borrowings	4	2,185.22	744.46
Deferred tax liabilities (net)	5	188.84	47.46
Other long-term liabilities	6	6.94	9.61
Long-term provisions	7	97.12	74.40
		2,478.12	875.93
Current liabilities			
Short-term borrowings	4	100.00	210.34
Trade payables		630.23	479.69
Other current liabilities	6	426.39	337.72
Short-term provisions	7	169.26	139.19
		1,325.88	1,166.94
TOTAL		6,509.59	4,332.68
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		905.31	831.39
Intangible assets		1,858.19	4.77
Capital work-in-progress		627.78	507.58
		3,391.28	1,343.74
Non-current investments	9	150.35	149.38
Long-term loans and advances	10	186.05	106.49
Other non-current assets	11	50.28	60.74
		3,777.96	1,660.35
Current assets			
Current investments	9	283.48	172.48
Inventories	12	781.15	694.51
Trade receivables	13	1,194.00	1,317.43
Cash and cash equivalents	14	69.68	218.49
Short-term loans and advances	10	103.41	80.88
Other current assets	11	299.91	188.54
		2,731.63	2,672.33
TOTAL		6,509.59	4,332.68
Notes forming part of the Standalone Financial Statements		1-43	

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
15th May, 2015

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Balance Sheet

Samir Mehta
Executive Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

STATEMENT OF PROFIT AND LOSS

			(₹ in Crores)
	Notes	Year ended 31-Mar-2015	Year ended 31-Mar-2014
REVENUE			
Revenue from operations			
Sales		3,417.69	3,228.00
Less : Excise duties	29	7.88	7.38
Net sales		3,409.81	3,220.62
Operating income		65.68	144.25
Revenue from operations (net)	15	3,475.49	3,364.87
Other income	16	305.67	35.54
Total Revenue		3,781.16	3,400.41
EXPENSES			
Cost of materials consumed	17	968.20	876.08
Purchases of stock-in-trade		200.78	93.38
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	(85.57)	30.61
Employee benefits expense	19	507.41	418.90
Finance costs	20	172.72	58.44
Depreciation and amortization expense		180.22	79.47
Other expenses	21	1,041.32	885.21
Total Expenses		2,985.08	2,442.09
PROFIT BEFORE TAX		796.08	958.32
TAX EXPENSE			
Current tax [Net of MAT credit utilized Nil (previous year ₹ 14.94 Crores)]		165.94	205.80
Deferred tax charge / (credit)		141.38	(9.42)
MAT credit entitlement		(134.74)	-
Short / (excess) provision for tax of earlier years		0.32	(0.40)
		172.90	195.98
NET PROFIT FOR THE YEAR		623.18	762.34
Earnings per share [Nominal value per equity share of ₹ 5]			
Basic and diluted	22	36.83	45.05
Notes forming part of the Standalone Financial Statements	1-43		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
15th May, 2015

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Statement of Profit and Loss

Samir Mehta
Executive Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

CASH FLOW STATEMENT

	(₹ in Crores)	
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
A CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	796.08	958.32
Adjustments for :		
Depreciation and amortization expense	180.22	79.47
Allowance for doubtful debts (net of bad debts)	(5.97)	21.84
Foreign exchange loss / (gain) on borrowings	-	2.89
(Gain)/Loss on sale / discard / write-off of fixed assets	(1.19)	3.87
Provision / (reversal) on asset held for sale	0.08	0.29
(Profit) / loss on sale of current investments	(15.95)	(10.54)
Finance cost	172.72	58.44
Interest income	(11.73)	(23.94)
Government grant	(0.64)	(0.68)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,113.62	1,089.96
Adjustments for changes in working capital :		
Trade receivables, loans & advances and other assets	(134.62)	(517.91)
Inventories	(86.64)	2.58
Trade payables, liabilities and provisions	207.52	(47.54)
CASH GENERATED FROM OPERATIONS	1,099.88	527.09
Direct taxes paid	(33.78)	(217.01)
NET CASH FROM OPERATING ACTIVITIES	1,066.10	310.08
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Business (Note 41)	(1,960.00)	-
Purchase of fixed assets	(176.13)	(364.45)
Proceeds from fixed assets sold	5.79	1.81
Long-term investments in subsidiaries	-	(0.94)
Refund of / (investment in) capital of partnership firms	(0.94)	(0.94)
Profit on sale of current investments	15.95	10.54
Interest received	15.72	27.85
NET CASH USED IN INVESTING ACTIVITIES	(2,099.64)	(326.13)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,660.39	426.74
Repayment of long-term borrowings	(144.25)	(84.87)
Net proceeds/ (repayment) of short-term borrowings	(128.94)	72.17
Government grant	0.64	0.68
Dividend paid	(199.69)	(267.39)
Finance cost paid	(192.42)	(60.83)
NET CASH USED IN FINANCING ACTIVITIES	995.73	86.50
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(37.81)	70.45
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	390.97	320.52
CASH AND CASH EQUIVALENTS AT END OF YEAR	353.16	390.97
Note: Cash and cash equivalents as at end of the year :		
Cash and cash equivalents as per Note - 14	69.68	218.49
Current investments as per Note - 9	283.48	172.48
	353.16	390.97

In terms of our report attached

Signatures to the Cash Flow Statement

For DELOITTE HASKINS & SELLS
Chartered Accountants

Samir Mehta
Executive Chairman

Hemendra Shah
Partner

Ashok Modi
Executive Director
& Chief Financial Officer

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

Ahmedabad
15th May, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting, and in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP includes Accounting Standards (AS) notified by the Central Government of India under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and provisions of the Companies Act, 2013, pronouncements of Institute of Chartered Accountants of India and guidelines issued by Securities and Exchange Board of India (SEBI). The Company has presented financial statements as per format prescribed by Schedule III, notified under the Companies Act, 2013. Except where otherwise stated, the accounting policies are consistently applied.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as non current.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgements and estimates, which it believes are reasonable under the circumstances, that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

1.3 Fixed assets, depreciation and amortization

Tangible assets

- (a) Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.
- (b) Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.
- (c) Depreciation on fixed assets is provided using the straight-line method based on useful life of the assets estimated by the management.

The management's estimate of the useful life for various categories of fixed assets are given below:

Office buildings*	58 years
Factory buildings*	28 years
Plant and machinery*	10 to 20 years
Laboratory equipment*	5 to 20 years
Electrical equipment *	10 to 20 years
Furniture and fixtures	10 years
Office equipment *	10 years
Computer equipment	3 years
Vehicles*	10 years

* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

- (d) Cost of leasehold land (except for lease of long tenure) is amortized over the period of the lease. Cost of lease hold land where lease period is of long tenure and substantial rights of ownership are with lessee, is not amortized.

Intangible assets

- (a) Acquired product licenses are capitalized at costs comprising of direct costs of purchase and expenses directly attributable to the purchase of product licenses.
- (b) Software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow there from for a period longer than one year.
- (c) Intangible assets are amortized over their estimated useful lives on a straight-line basis. The management's estimate of the useful life of various categories of intangible assets are given below:

Product licenses	Upto 10 years
Software	3 to 5 years
Brands	Upto 15 years
Non Compete agreement	Upto 3 years
Goodwill	Upto 15 years

The management estimated useful life of 15 years for brands and goodwill, based on expected growth in sales, future competition, life cycle of brand, over which majority of the future economic benefits will be generated.

Impairment of assets

- (a) Fixed assets are reviewed for impairment losses at each balance sheet date for events or changes in circumstances indicating that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.
- (b) Fixed assets that have been retired from their active use and held for disposal, are classified as current assets, and are stated at lower of their cost and net realizable value.

1.4 Investments

- (a) Noncurrent investments are carried at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.
- (b) Current investments are carried at lower of cost and fair value. Diminution in value is charged to the statement of profit and loss.
- (c) Current investments readily convertible in known amount of cash and subject to insignificant risk of changes in value are classified as cash and cash equivalents for preparation of cash flow statement.

1.5 Cash flow statement

The cash flow statement is prepared as per the "Indirect Method" as set out in AS - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is uncertainty in salability of an item. Costs incurred in bringing inventories to its existing location and condition are determined on the following basis:

- (a) Raw materials and packing materials - Purchase cost of materials on moving average basis.
- (b) Finished goods (manufactured) and work-in-progress - Cost of purchase, cost of conversion and other costs proportionately allocated determined on weighted average basis.
- (c) Finished goods (traded) - Purchase cost on moving average basis.

1.7 Revenue recognition

- (a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customers. Sales are net of discounts, sales tax, value added tax and estimated returns. Excise duty collected on sales are shown by way of deduction from sales.
- (b) Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions

used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

- (c) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- (d) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.
- (e) Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (f) Dividend income is recognized when the unconditional right to receive dividend is established.
- (g) Interest income is recognized using the time proportionate method, based on rates implicit in the transaction.
- (h) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

1.8 Employees retirement and other benefits

Short-term employee benefits :

Short-term employee benefits like salaries, wages, bonus and welfare expenses payable wholly within twelve months of rendering the service are accrued in the year in which the associated services are rendered by the employees.

Long-term employee benefits :

- (a) Defined contribution plan :

Contribution in case of defined contribution plans (provident fund, superannuation benefit, social security schemes and other fund/schemes) is charged to the statement of profit and loss as and when it is incurred as employee benefits.

- (b) Defined benefit plan :

The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain/ loss are debited / credited, as the case may be, to the statement of profit and loss of the year as employees benefits.

The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at balance sheet date.

1.9 Government grants

- (a) Government grants are recognized when there is reasonable assurance that the grant will be received and all relevant conditions are complied with.
- (b) Grants received by way of investment subsidy scheme in relation to total investment are credited to capital reserve and are treated as part of owners' fund.
- (c) Grants that compensate expenses are recognized on receipt basis.

1.10 Finance costs

Finance costs consist of interest, amortization of ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

1.11 Cenvat credit

Cenvat (Central value added tax) credit in respect of excise, custom and service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance of cenvat credit is reviewed at the end of each year and amount estimated to be un-utilisable is charged to the statement of profit and loss for the year.

1.12 Stores and spares

Stores and spares (other than spares acquired with fixed assets) are charged to the statement of profit and loss as and when purchased.

1.13 Software costs

Expenditure incurred for procuring, developing, improving and maintaining software programs are charged to the statement of profit and loss as and when incurred, except when capitalized in accordance with Note 1.3 above.

1.14 Research and development

Revenue expenditure on research and development is expensed off under the respective head of expenses in the year in which it is incurred. Capital expenditure on research and development is reported as fixed assets under the relevant head. Depreciation on research and development fixed assets are not classified as research and development expenses and instead included under depreciation expenses.

1.15 Leases

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on accrual and straightline basis over the lease term.

1.16 Accounting for taxes

- (a) Current tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.
- (b) Deferred tax resulting from timing differences between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Net deferred tax liabilities are arrived at after setting off deferred tax assets.
- (c) Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset when it is probable that the future economic benefit associated with it will flow to the Company.

1.17 Foreign currency transactions and balances

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.
- (b) The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise.
- (c) Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing rate. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction. The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs.
- (d) Investments in shares of foreign subsidiaries and other entities are expressed in reporting currency at the rates of exchange prevailing at the time when the original investments were made.

1.18 Derivative instruments and hedge accounting

- (a) In case of forward contracts, to which AS 11, "The Effects of Changes in Foreign Exchange Rates" applies, the difference between the forward rate and the exchange rate on the date of the contract is recognized as income or expense over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the period in which the exchange rates change.
- (b) Foreign currency forward contracts, to which AS 11 does not apply, hedge accounting principles set out in AS 30 "Financial Instruments: Recognition and Measurement" are adopted w.e.f. 01st April, 2011 to the extent they do not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements. These transactions comprise of forward contracts taken to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions and designated as cash flow hedges and valued at fair value. Changes in the fair value of these forward contracts that are effective hedges are recognized directly in cash flow hedge reserve account and the ineffective portion is recognized in the statement of profit and loss. Amount accumulated in cash flow hedge reserve account is reclassified to the statement of profit and loss in the same period during which the forecasted transaction materialize. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.
If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedge reserve account is immediately transferred to the statement of profit and loss for the period.

1.19 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources for which reliable estimate can be made. Liabilities which are of a contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(₹ in Crores)

	As at 31-Mar-2015	As at 31-Mar-2014
NOTE - 2 : SHARE CAPITAL		
Authorised		
200,000,000 (previous year 200,000,000) equity shares of ₹ 5 each	100.00	100.00
2,500,000 (previous year 2,500,000) preference shares of ₹ 100 each	25.00	25.00
	125.00	125.00
Issued		
169,236,720 (previous year 169,236,720) equity shares of ₹ 5 each	84.62	84.62
Subscribed and fully paid-up		
169,222,720 (previous year 169,222,720) equity shares of ₹ 5 each	84.62	84.62
	84.62	84.62
Forfeited shares		
Amount originally paid up on 14,000 (previous year 14,000) equity shares of ₹ 5 each forfeited * Amount ₹ 35,000/- (previous year ₹ 35,000/-)	*	*
	84.62	84.62

Note:

- (i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31-Mar-2015		As at 31-Mar-2014	
	Numbers	₹ in Crores	Numbers	₹ in Crores
As at the beginning of the year	169,222,720	84.62	84,611,360	42.31
Add: Bonus issued during the year	-	-	84,611,360	42.31
Outstanding at the end of the year	169,222,720	84.62	169,222,720	84.62

- (ii) Details of shares allotted for consideration other than cash, bonus shares and shares bought back in previous five financial years is as under:
- The Company allotted 84,611,360 Equity Shares as fully paid up bonus shares of ₹ 5 each on 25-Jul-2013, pursuant to the shareholders' resolution passed on 12-Jul-2013.
- (iii) Torrent Private Limited, the holding Company, holds 86,115,472 (previous year 86,115,472) equity shares of ₹ 5 each, equivalent to 50.89% (previous year 50.89%) of the total number of equity shares, which is the only shareholder holding more than 5 % of total equity shares.
- (iv) The Company has one class of equity shares having par value of ₹ 5 each. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to shareholding.

	(₹ in Crores)	
	As at 31-Mar-2015	As at 31-Mar-2014
NOTE - 3 : RESERVES AND SURPLUS		
Capital reserve	0.71	0.71
Capital redemption reserve	-	3.85
Less : Utilized for issue of bonus shares during the year	-	(3.85)
	-	-
Securities premium account	4.34	42.80
Less : Utilized for issue of bonus shares during the year	-	(38.46)
	4.34	4.34
Cash flow hedge reserve		
Balance as per last balance sheet	84.34	9.96
Add : Adjustment during the year	21.04	74.38
	105.38	84.34
General reserve		
Balance as per last balance sheet	1,089.52	1,013.29
Add : Transfer from statement of profit and loss	63.00	76.23
	1,152.52	1,089.52
Balance in statement of profit and loss		
Balance as per last balance sheet	1,026.28	538.17
Add: Net profit for the year	623.18	762.34
Less: Appropriations		
Interim dividend [₹ 5.00 per share (previous year ₹ 5.00 per share)]	84.62	84.62
Proposed dividend [₹ 6.25 per share (previous year ₹ 5.00 per share)]	105.76	84.62
Tax on distributed profits	38.06	28.76
Transfer to general reserve	63.00	76.23
Balance in statement of profit and loss	1,358.02	1,026.28
	2,620.97	2,205.19

	Notes	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 4 : BORROWINGS			
Long-term borrowings, non-current portion			
Secured term loans from banks [Note: (i)(a)]		2,171.60	730.72
Unsecured term loans from others		13.62	13.74
		2,185.22	744.46
Long-term borrowings, current portion			
Secured term loans from banks [Note: (i)(a)]		233.45	135.00
Unsecured term loans			
from banks		-	39.64
from others		2.61	2.23
		2.61	41.87
	6	236.06	176.87
Short-term borrowings			
Secured loans from banks [Note: (i)(b)]		95.00	19.62
Unsecured loans from banks		5.00	190.72
		100.00	210.34
		2,521.28	1,131.67

Note:

(i) Loans are secured by:

(a) Term loans of ₹ 605.05 Crores (previous year ₹ 295.27 Crores) from banks are secured by & Term loans of ₹ NIL (previous year ₹ 270.45 Crores) to be secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, located at formulation manufacturing facilities, village Indrad; research facilities, village Bhat; Corporate Office, Ahmedabad, all in Gujarat, and manufacturing facilities, village Bhud; in Himachal Pradesh, on pari passu basis.

Term loan of ₹ 1400 Crores (previous year ₹ 100 Crores) from bank is secured by & Term Loan of ₹ 200 Crores (previous year NIL) are to be secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, of formulation manufacturing facilities located at Dahej (SEZ) in Gujarat and Gangtok in Sikkim, on pari passu basis along with some of the identified brands of the Company in respect of which the Company is in the process of creating the charge.

Term loan of ₹ 200 Crores (previous year ₹ 200 Crores) from bank is secured by first equitable mortgage of free hold land located at village Rakanpur and free hold land and buildings located at Delhi, on pari passu basis along with some of the identified brands of the Company. The Company is in the process of creating charge on assets located at village Rakanpur & Delhi.

(b) Working capital facilities are secured by hypothecation of inventories and book debts.

(ii) The terms of repayment of loan obligations on principal amount repayable in yearly installments, for the secured and unsecured long-term loans are as under:

(₹ in Crores)

Financial year	Secured	Unsecured
2015-16	233.45	2.61
2016-17	530.19	3.90
2017-18	318.06	3.78
2018-19	348.10	2.67
2019-20	357.66	1.98
2020-21	322.59	1.29
2021-22	245.00	-
2022-23	50.00	-
Total	2,405.05	16.23

			(₹ in Crores)
	Notes	As at 31-Mar-2015	As at 31-Mar-2014
NOTE - 5 : DEFERRED TAX			
Deferred tax liabilities			
Excess of aggregate depreciation claimed under the income tax law over that debited to statement of profit and loss		220.67	74.42
Deferred tax assets			
Provision for leave salary		(20.80)	(15.30)
Provision for gratuity		(2.35)	(0.64)
Provision for bonus		(1.58)	(2.12)
Provision for doubtful debts		(7.09)	(8.89)
Provision for doubtful claim receivables		(0.01)	(0.01)
		(31.83)	(26.96)
Deferred tax liabilities (net)		188.84	47.46
NOTE - 6 : OTHER LIABILITIES			
Long-term liabilities			
Creditors for capital goods		5.96	5.35
Trade deposits		0.13	0.34
Derivative financial instruments		0.85	3.92
		6.94	9.61
Current liabilities			
Current maturities of long-term debt	4	236.06	176.87
Interest accrued but not due on borrowings		17.65	3.68
Unclaimed dividend (not due)		1.74	0.92
Creditors for capital goods		32.49	38.21
Payables for Employee Benefits		50.27	43.36
Trade advances and deposits		15.27	14.34
Payables to statutory and other authorities		21.96	19.54
Book overdraft		11.57	4.17
Advance from related parties		31.16	20.83
Derivative financial instruments		1.87	13.82
Other payables		6.35	1.98
		426.39	337.72
		433.33	347.33
NOTE - 7 : PROVISIONS			
Long-term provisions			
Provision for employee benefits			
Gratuity		4.57	1.87
Leave benefits		52.96	37.24
		57.53	39.11
Provision for sales returns	28	39.59	35.29
		97.12	74.40
Short-term provisions			
Provision for employee benefits			
Leave benefits		7.14	7.78
Provision for sales returns	28	35.21	32.41
Proposed dividend		105.76	84.62
Tax on distributed profits		21.15	14.38
		169.26	139.19
		266.38	213.59

Note - 8 : FIXED ASSETS

(₹ in Crore)

Particulars	Gross Block (At Cost)				Depreciation and Amortization				Net Block	
	As at 1-Apr-2014	Additions during the year	Deductions / Adjustments during the year	As at 31-Mar-2015	As at 1-Apr-2014	Additions during the year	Deductions / Adjustments during the year	As at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
TANGIBLES										
Land										
Freehold	116.05	-	-	116.05	-	-	-	-	116.05	116.05
Leasehold	46.19	-	-	46.19	1.15	0.83	-	1.98	44.21	45.04
Buildings	310.05	40.55	0.97	349.63	67.99	9.49	0.21	77.27	272.36	242.06
Plant and equipments	634.97	90.65	8.49	717.13	289.00	50.62	6.67	332.95	384.18	345.97
Furniture and fixtures	35.97	3.24	2.45	36.76	22.27	2.68	2.11	22.84	13.92	13.70
Vehicles	11.87	0.32	1.72	10.47	4.31	1.07	0.74	4.64	5.83	7.56
Office equipments	43.46	3.25	2.78	43.93	34.17	2.85	2.53	34.49	9.44	9.29
Electrical equipments	95.60	12.69	1.00	107.29	43.88	4.72	0.63	47.97	59.32	51.72
(A)	1,294.16	150.70	17.41	1,427.45	462.77	72.26	12.89	522.14	905.31	
Previous Year	1,179.31	127.58	12.73	1,294.16	394.32	75.36	6.91	462.77		831.39
INTANGIBLES										
Computer softwares	27.13	1.47	-	28.60	22.36	3.09	-	25.45	3.15	4.77
Brands	-	1,814.70	-	1,814.70	-	91.48	-	91.48	1,723.22	-
Non-compete agreement	-	30.50	-	30.50	-	7.69	-	7.69	22.81	-
Goodwill	-	114.80	-	114.80	-	5.79	-	5.79	109.01	-
(B)	27.13	1,961.47	-	1,988.60	22.36	108.05	-	130.41	1,858.19	
Previous Year	24.57	3.01	0.45	27.13	18.18	4.23	0.05	22.36		4.77
TOTAL (A+B)	1,321.29	2,112.17	17.41	3,416.05	485.13	180.31	12.89	652.55	2,763.50	
Previous Year	1,203.88	130.59	13.18	1,321.29	412.50	79.59	6.96	485.13		836.16

(i) Additions to Research and Development assets during the year are as under :

(₹ in Crores)

Particulars	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Buildings	0.05	0.26
Plant and equipment [including laboratory equipment]	1.08	5.19
Electrical equipment	0.01	0.05
Furniture and fixtures	0.14	0.66
Office equipment	0.42	0.18
Vehicles	0.02	0.01
Intangibles being softwares	0.09	0.68
Total	1.80	7.03

(ii) Pro-rata cost of assets owned jointly with Torrent Power Limited, a Company under same management are as under:

(₹ in Crores)

Particulars	Proportion of holding	As at 31-Mar-2015	As at 31-Mar-2014
Freehold land	50%	23.79	23.79
Freehold land	30%	35.69	35.69
Buildings	30%	0.65	0.11

(iii) Depreciation and amortization for the year includes ₹ 0.09 Crores (previous year ₹ 0.12 Crores) transferred to capital work-in-progress.

	No. of Units	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 9 : INVESTMENTS			
Non-current [valued at cost]			
Investment in subsidiaries, unquoted			
Zao Torrent Pharma	23802	58.80	58.80
fully paid-up equity shares of Russian Roubles 100 each			
Less : Provision for diminution in value [Note i]		23.08	23.08
		35.72	35.72
Torrent Do Brasil Ltda	19144418	31.11	31.11
fully paid-up equity shares (Quotas) of Brazilian Reai 1 each			
Torrent Pharma Gmbh : equity capital	-	23.37	23.37
Torrent Pharma Inc.	12000	4.99	4.99
fully paid-up common Stock of USD 100 each			
Torrent Pharma Philippines Inc	55852	0.92	0.92
fully paid-up equity shares of Philippines Pesos 200 each			
Laboratorios Torrent , S.A. De C.V.	74741	27.99	27.99
fully paid-up equity shares of Mexican Pesos 1000 each			
Torrent Australasia Pty Limited	675000	0.30	0.30
partly paid-up common stock of Australian Dollar (AUD) 1 each, AUD 0.1282 paid each			
Torrent Pharma Canada Inc.	334279	1.49	1.49
fully paid-up equity shares of Canadian Dollar 1 each			
Torrent Pharma SRL	97000	6.27	6.27
fully paid-up equity shares of Euro 10 each			
Torrent Pharma (UK) Ltd.	225000	1.68	1.68
fully paid-up equity shares of United Kingdom's Sterling 1 each			
Torrent Pharma (Thailand) Co.Ltd.	1880000	1.59	1.59
fully paid-up equity shares of 5 Thai baht each			
Torrent Pharma France S.A.S.	1	0.09	0.09
fully paid-up equity share of 1 Euro each			
Laboratories Torrent (Malaysia) SDN BHD	500000	0.77	0.77
fully paid-up equity shares of 1 Malaysian Ringgit each			
		136.29	136.29
Investment in partnership firms [Note (iii)]			
Torrent Pharmaceuticals (Sikkim)		14.00	13.06
Trade investments, unquoted			
GPC Cayman Investors I Ltd. - fully paid-up equity shares of USD 10 each	820601	37.49	37.49
Less: Provision for diminution in value [Note i]		37.49	37.49
		-	-
Shivalik Solid Waste Limited - fully paid-up equity shares of ₹ 10 each	20000	0.02	0.02
		0.02	0.02

	No. of Units	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
Non-trade investments, unquoted			
Tornascent Care Institute - fully paid up shares of ₹ 10 each (Previous year NIL) *	25000	0.03	-
National savings certificates		0.01	0.01
		0.04	0.01
		150.35	149.38
* The Company has, jointly with Torrent Power Ltd, promoted a Section 8 company, i.e. Tornascent Care Institute, under the Companies Act, 2013 for the purpose of charitable activities.			
Current investments [valued at lower of cost and fair value]			
Units of mutual fund schemes - Debt and Gilt funds [Note (ii)]			
Prudential ICICI Liquid Plan - Institutional Growth	108977	2.25	19.00
	[1002375]		
Birla Sunlife Cash Plus - Institutional Premium - Growth	[1925449]	-	39.40
HDFC Cash Management Fund Saving - Growth	3169161	9.25	-
Tata Liquid Fund Plan A - Growth	284655	73.20	11.02
	[46634]		
IDFC Cash Fund - Plan C	433840	73.55	39.50
	[253747]		
DSP ML Liquidity Fund - IP -Growth	360472	72.00	21.00
	[114587]		
Kotak Liquid Scheme Plan A - Growth	[11792]	-	3.06
HDFC Liquid Fund - Growth	[15630936]	-	39.50
LIC NOMURA MF Liquid Fund - Growth Plan	211253	53.23	-
		283.48	172.48
Aggregate unquoted investments		433.83	321.86
Note:			
(i) Aggregate provision for diminution in value of investments		60.57	60.57
(ii) Aggregate NAV of investment in mutual funds		284.19	172.85
(iii) Disclosures in respect of investment in partnership firms:			

(₹ in Crores)

Name of the firm	Name of Partner	Share in Partnership	Capital as at 31 st Mar, 2015	Capital as at 31 st Mar, 2014
Torrent Pharmaceuticals (Sikkim)	Torrent Pharmaceuticals Limited	97%	14.00	13.06
	Torrent Employee's Welfare Trust	3%	0.43	0.40

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 10 : LOANS AND ADVANCES		
[Unsecured and considered good, unless otherwise stated]		
Non-current loans and advances		
Capital advances	22.42	83.59
Security deposits	10.04	9.99
Other advances recoverable in cash or kind or for value to be received	0.99	1.14
Share application money pending allotment	3.84	-
Advance tax paid, net of provisions	14.02	11.77
MAT credit entitlement	134.74	-
	186.05	106.49
Current loans and advances		
Security deposits	0.58	0.02
Loans and advances to related parties	16.46	14.88
Balance with VAT / excise and customs department	0.25	0.54
Other advances recoverable in cash or kind or for value to be received	86.12	65.44
	103.41	80.88
	289.46	187.37
NOTE - 11 : OTHER ASSETS		
[Unsecured and considered good, unless otherwise stated]		
Non-current assets		
Derivative financial instruments	50.28	60.74
Current assets		
Export benefits receivable	37.72	50.02
Claims receivable : indirect tax / insurance/others		
Considered good	70.06	62.69
Considered doubtful	0.02	0.02
Less : Allowance for doubtful claims receivable	0.02	0.02
	70.06	62.69
Interest accrued on loans and deposits	0.97	4.96
Derivative financial instruments	190.97	70.33
Fixed assets held for sale	0.19	0.54
	299.91	188.54
	350.19	249.28
NOTE - 12 : INVENTORIES		
[At lower of cost and net realizable value]		
Raw materials	364.07	375.83
Packing materials	41.30	28.47
Work in progress	135.75	108.53
Finished goods	169.23	151.27
Stock-in-trade	70.80	30.41
	781.15	694.51

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 13 : TRADE RECEIVABLES		
Debts over six months from due date		
Considered good	222.58	126.17
Considered doubtful	22.23	20.26
Less : Allowance for doubtful trade receivables	22.23	20.26
	222.58	126.17
Debts less six months from due date		
Considered good	971.42	1,191.26
Considered doubtful	0.30	5.92
Less : Allowance for doubtful trade receivables	0.30	5.92
	971.42	1,191.26
	1,194.00	1,317.43
NOTE - 14 : CASH AND CASH EQUIVALENTS		
Cash on hand	0.06	0.07
Balances with banks	67.84	28.85
Fixed deposits	0.02	188.52
Balances with banks for unclaimed dividend	1.74	0.92
Balances with banks held as margin money	-	0.11
Term deposits lodge with banks as securities	0.02	0.02
	69.68	218.49

Note: Cash and cash equivalents stated above excludes investment in mutual funds and corporate deposits disclosed under Note - 9 : Current investments as per requirements of AS 13 "Accounting for Investments".

	Notes	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
NOTE - 15 : REVENUE FROM OPERATIONS			
Sales			
Sales in india		1,882.18	1,462.32
Sales outside india		1,535.51	1,765.68
		3,417.69	3,228.00
Less : Excise duties	29	7.88	7.38
		3,409.81	3,220.62
Operating Income			
Export benefits		39.41	52.10
Income from product registration dossiers		10.71	18.33
Compensation and settlement income		2.23	13.65
Patent assignment income		-	41.52
Other operating income		13.33	18.65
		65.68	144.25
		3,475.49	3,364.87

		(₹ in Crores)
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
NOTE - 16 : OTHER INCOME		
Interest income	11.73	23.94
Net gain on sale of investments	15.95	10.54
Net foreign exchange gain	274.88	-
Share of profit from partnership firms	0.94	0.94
Other non-operating income	0.98	0.12
Profit on sale of fixed assets	1.19	-
	305.67	35.54
NOTE - 17 : COST OF MATERIALS CONSUMED		
Raw materials	827.78	741.27
Packing materials	140.42	134.81
	968.20	876.08
NOTE - 18 : CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Finished goods	151.27	164.84
Stock-in-trade	30.41	33.09
Work-in-progress	108.53	122.89
	290.21	320.82
Less : Closing stock		
Finished goods	169.23	151.27
Stock-in-trade	70.80	30.41
Work-in-progress	135.75	108.53
	375.78	290.21
Net (increase) / decrease in stock	(85.57)	30.61
NOTE - 19 : EMPLOYEE BENEFITS EXPENSE		
[Other than those included in pre-operative expenses]		
Salaries, wages and bonus	450.00	373.81
Contribution to provident and other funds	29.55	27.97
Gratuity cost	13.92	5.49
Staff welfare expenses	13.94	11.63
	507.41	418.90
NOTE - 20 : FINANCE COST		
[Other than those included in pre-operative expenses]		
Interest expense	153.48	34.05
Other borrowing cost	7.51	3.76
Net foreign exchange loss, to the extent considered as finance costs	11.73	20.63
	172.72	58.44

		(₹ in Crores)
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
NOTE - 21 : OTHER EXPENSES		
[Other than those included in pre-operative expenses]		
Power and fuel	96.57	70.93
Stores and spares consumed	59.57	54.91
Cost of outsourced manpower	32.26	35.56
Job work charges	16.08	14.27
Laboratory goods and testing expenses	60.58	40.86
Clinical research expense	12.39	13.08
Excise duties	6.54	4.00
Repairs and maintenance		
Machinery	10.41	10.06
Buildings	4.35	6.15
Others	3.20	3.62
	17.96	19.83
Selling, publicity and medical literature expenses	361.52	279.20
Commission on sales	21.78	17.70
Sales and turnover taxes	7.87	6.62
Allowance for doubtful debts [net of bad debts written-off ₹ Nil (Previous year ₹ 0.20 Crores)]	(5.97)	21.84
Travelling, conveyance and vehicle expenses	75.15	63.32
Liaison support services	104.94	99.28
Compensation expense [Net of reversal ₹ 2.57 Crores (Previous year ₹ 37 Crores)]	(2.19)	(30.40)
Communication expenses	9.10	8.67
Printing and stationery expenses	3.76	3.84
Royalty Expense	(0.04)	1.22
Rent	6.22	5.99
Rates and taxes	0.57	0.43
Registration expenses	17.49	16.02
Insurance	3.35	4.92
Net foreign exchange loss	-	49.01
Loss on sale / discard / write-off of fixed assets (Reversal)/ provision on asset held for sale	- 0.08	3.87 0.29
Auditors remuneration and expenses		
Audit fees	0.23	0.16
Other services	0.64	0.26
Out of pocket expenses	0.01	0.01
	0.88	0.43
Cost audit fees	0.05	0.06
Commission to non executive directors	6.54	9.54
Donation	10.76	15.03
Corporate Social Responsibility Expense	14.31	0.09
General charges	103.20	54.80
	1,041.32	885.21

NOTE - 22 : EARNINGS PER SHARE

The basic and diluted Earnings Per Share [EPS] are:

			Year ended 31-Mar-2015	Year ended 31-Mar-2014
Net profit for the year	(a)	(₹ in Crores)	623.18	762.34
Weighted average number of equity shares	(b)	(Nos.)	169,222,720	169,222,720
EPS (basic and diluted)	(a) / (b)	(₹)	36.83	45.05
Nominal value per equity share		(₹)	5.00	5.00

NOTE - 23 : CAPITAL AND OTHER COMMITMENTS

	As at 31-Mar-2015	As at 31-Mar-2014
(a) Estimated amount of unexecuted capital contracts [net of advances] not provided for:	183.08	128.28
(b) Uncalled liability on partly paid shares of Torrent Australasia Pty Ltd., a wholly owned subsidiary. [Australian Dollar (AUD) 0.06 Crores (previous year AUD 0.06 Crores)]	2.81	3.26
	185.89	131.54

NOTE - 24 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of :

(a) Claims against the Company not acknowledged as debts		
Disputed demand of income tax for which appeals have been preferred	7.01	5.25
Disputed employee state insurance contribution liability under E.S.I. Act, 1948	8.24	7.30
Disputed cases for supply of goods and services	-	0.19
Disputed demand of excise and service tax	14.87	32.41
Disputed demand of local sales tax and C.S.T.	0.41	0.19
Disputed cases at labour court / industrial court	3.15	2.86
	33.68	48.20
Against the above, the Company has paid ₹ 0.09 Crores (previous year ₹ 0.24 Crores). The expected outflow will be determined at the time of final outcome in respect of the concerned matter. No amount is expected to be reimbursed.		
(b) The Company has issued guarantees aggregating USD 8.40 crore (previous year USD 0.60 crore) to secure lines of credit to its wholly owned subsidiaries. The outstanding amount of liabilities by the subsidiaries as on balance sheet date, converted at closing exchange rate, is	525.76	36.06
	559.44	84.26

NOTE - 25 : LOANS TO GROUP COMPANIES

(a) The details of loans given by the Company to its wholly owned subsidiaries are as under :

(₹ in Crores)

Name of subsidiary	Loan given		Maximum Amount outstanding during the year	Balance as at	
	2014-15	2013-14		31-03-2015	31-03-2014
Torrent Pharma France S.A.S.	8.05	10.64	19.17	15.78	11.05
Torrent Pharma Philippines Inc.	-	-	3.17	-	3.01
Total	8.05	10.64		15.78	14.06

- (b) Other than above, the Company has not given any loans or advances in the nature of loan to any of its subsidiaries and associates or firms / companies in which Directors are interested.
- (c) There are no loans where either repayment schedule is not prescribed or repayment is scheduled beyond seven years.
- (d) There are no loans where either no interest is charged or interest is below the rate specified in section 186 of the Companies Act, 2013.

NOTE - 26 : MICRO, SMALL AND MEDIUM ENTERPRISES

Disclosures required by the Micro, Small and Medium Enterprises Development [MSMED] Act, 2006 are as under :

		(₹ in Crores)
	31-Mar-2015	31-Mar-2014
(a) (i) The principal amount remaining unpaid at the end of the year	1.18	0.93
(ii) Interest due on principal remaining unpaid at the end of the year	-	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year	0.71	0.65
(ii) Interest actually paid under Section 16 of the MSMED Act	0.01	0.01
(c) Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms	0.00	0.01
(d) Total interest accrued during the year and remaining unpaid	0.00	0.01

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

NOTE - 27 : GRATUITY BENEFIT PLAN

The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is accounted as per Accounting Standard 15 (revised 2005) "Employee Benefits".

General Description of the Plan :

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

		(₹ in Crores)
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at the beginning of the year	55.60	48.47
Current service cost	6.80	6.63
Interest cost	5.16	3.88
Liabilities transferred in	4.66	-
Actuarial (gain) / loss	13.80	0.17
Benefits paid directly by the employer	(0.07)	(0.26)
Benefits paid from the fund	(6.73)	(3.29)
Obligations at the end of the year	79.22	55.60
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Plan assets at the beginning of the year, at fair value	53.73	41.03
Expected return on plan assets	5.77	4.41
Actuarial (gain) / loss	5.39	0.58
Contributions	12.00	11.00
Assets transferred in	4.49	-
Benefits paid	(6.73)	(3.29)
Plan assets at the end of the year	74.65	53.73
Actual return on plan assets	11.16	4.99

	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
(c) Gratuity cost for the year :		
Current service cost	6.80	6.63
Interest cost	5.16	3.88
Expected return on plan assets	(5.77)	(4.41)
Net Actuarial (gain) / loss	8.41	(0.41)
Net gratuity cost	14.60	5.69
(d) (i) Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :		
Obligations at the end of the year	79.22	55.60
Plan assets at the end of the year, at fair value	74.65	53.73
(Asset) / Liability recognised in Balance sheet	4.57	1.87
(ii) Experience adjustments gain / (loss)		
Plan liabilities	(7.24)	(4.79)
Plan assets	5.39	0.58
(e) Expected contribution for the next year	14.20	12.00
(f) Assumptions		
Discount rate	7.98%	9.29%
Expected rate of return on plan assets	11.79%	10.74%
Salary escalation rate	10.00%	10.00%

Expected long term productivity gains & long term risk-free real rate of interest have been used as guiding factors to determine long term salary growth.

Future mortality rates are obtained from relevant table of Indian Assured Lives Mortality (2006-08) Ultimate.

(g) Data for defined benefit obligation and fair value of plan assets are as under :

(₹ in Crores)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Present value of defined benefit obligations at the end of the year [independent actuary]	31.98	37.11	48.47	55.60	79.22
Fair value of plan assets at the end of the year	32.16	34.79	41.03	53.73	74.65
(Net assets)/ liability at the end of year	(0.18)	2.32	7.44	1.87	4.57

(h) Investment details of plan assets :

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited who has invested the funds substantially as under :

	As at 31-Mar-2015	As at 31-Mar-2014
Equity Instruments	19.57%	22.26%
Corporate Bonds	30.88%	46.78%
Government Securities	39.63%	14.91%
Fixed Deposits with Banks	5.20%	16.05%
Other Current Assets & Equity	4.73%	0.00%

NOTE - 28 : PROVISION FOR SALES RETURNS

The Company as a trade practice accepts returns from market for formulations which are primarily in the nature of expired or near expiry products. Provision is made for such returns estimated on the basis of historical experience, market conditions and specific contractual terms. Details of the provision is as under :

	(₹ in Crores)	
	As at 31-Mar-2015	As at 31-Mar-2014
Opening provision	67.70	63.91
Add: Additional provision	43.04	33.17
Less: Actual returns during the year	35.94	29.38
Closing provision	74.80	67.70

NOTE - 29 : EXCISE DUTIES

Excise duties shown as deduction from domestic sales represents the amount of excise duty collected on sales. Excise duty expense under Note - 21, "Other Expenses", represents (i) the difference between excise duty element in closing stock and opening stock, and (ii) excise duty paid on samples and on inventory write-off, which is not recoverable from sales.

	(₹ in Crores)	
	Year ended 31-Mar-2015	Year ended 31-Mar-2014

NOTE - 30 : PRE-OPERATIVE EXPENSES

Pre-operative expenses allocated to projects during the year (included in capital work-in-progress & fixed assets) are as under:

Employee benefits expenses		
Salaries, wages and bonus	17.32	13.16
Contribution to provident and other funds	1.28	1.03
Gratuity cost	0.68	0.20
Welfare expenses	0.82	0.55
	20.10	14.94
Power and fuel	8.74	6.48
Cost of outsourced manpower	0.90	1.62
Travelling, conveyance and vehicle expenses	1.54	1.29
Communication expenses	0.06	0.05
Printing and stationery expenses	0.24	0.21
Insurance	0.50	0.33
Rent	0.09	0.11
Depreciation	0.09	0.12
Finance costs	40.09	24.49
General charges	1.56	1.97
	73.91	51.61

NOTE - 31 : RESEARCH AND DEVELOPMENT EXPENSES

(a) Break-up of research and development expenses included in statement of profit and loss under below heads:

Operating income:

Government grant income [Refer Note (b)]	0.64	0.68
--	------	------

Material cost - Exhibit batches

	7.57	8.49
--	------	------

Employee benefits expenses:

Salaries, wages and bonus	58.79	50.20
Contribution to provident and other funds	4.35	4.01
Gratuity cost	2.01	1.78
Welfare expenses	1.85	1.83
	67.00	57.82

	(₹ in Crores)	
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Other expenses:		
Power and fuel	4.64	3.91
Stores and spares consumed	8.95	7.09
Cost of outsourced manpower	1.45	1.76
Laboratory goods and testing expenses	26.35	18.40
Clinical research expenses	11.08	12.14
Repairs and maintenance	3.33	3.57
Travelling, conveyance and vehicle expenses	2.89	2.54
Communication expenses	0.61	0.80
Printing and stationery expenses	0.45	0.49
Insurance	0.21	0.28
Rates and taxes	0.13	0.13
Interest on fixed period loans	0.17	0.45
General charges	19.57	13.79
	79.84	65.35
	153.77	130.98

- (b) The Government grant income during the year represents grant received from Biotechnology Industry Research Assistance Council.
- (c) Depreciation and amortization includes ₹ 11.47 crores (previous year ₹ 13.81 crores) pertaining to research and development fixed assets.
- (d) Capital work in progress and advances for capital expenditure on research and development assets are as under :

	(₹ in Crores)	
Particulars	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Capital work in progress	6.59	0.79
Advances for Capital expenditure	2.46	0.27
Total	9.05	1.06

	(₹ in Crores)	
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
NOTE - 32 : DONATION TO POLITICAL PARTIES		
Donation includes political contributions as under:		
Bhartiya Janata Party	3.00	4.00
Indian National Congress	1.00	1.00
Sikkim Democratic Front	-	0.30
Nationalist Congress Party	1.00	-
	5.00	5.30
NOTE - 33 : FOREIGN EXCHANGE LOSS / (GAIN)		
Foreign exchange loss / (gain) included in the net profit for the year :		
Net foreign exchange loss / (gain), included in other expenses (Note - 21) / other income (Note - 16) :	(274.88)	49.01
(a) Add: Net foreign exchange loss on foreign currency borrowings to the extent regarded as an adjustment to finance cost, included in Note 20.	11.73	20.63
(b) Less: MTM on forward exchange contracts to hedge the foreign currency risk of highly probable forecast transactions accounted as per AS 30	(120.97)	48.80
Total foreign exchange loss / (gain) as per AS 11	(142.18)	20.84

NOTE - 34 : NET FOREIGN CURRENCY HEDGE POSITION

Net foreign currency positions outstanding as at 31-Mar-2015 under derivatives contracts for hedging are summarised below:

(Amount in Crores)

Hedged item / nature of derivative contracts	Net position under derivative contracts				Unhedged foreign currency exposures		
	Buy/Sell	Currency	31-Mar-2015	31-Mar-2014	Currency	31-Mar-2015	31-Mar-2014
1. Foreign currency loan - payable							
Forward exchange contracts	Buy	USD - INR	-	3.88	USD	-	-
	Buy	JPY-USD	-	33.69			
Currency cum interest rate swap	Buy	USD - INR	9.67	9.41			
	Buy	JPY-USD		33.69			
2. Foreign currency interest - payable	Buy	USD - INR	0.05	0.04	JPY	-	0.24
		JPY-USD	-	0.24			
3. Foreign currency trade payables	Buy	EUR - USD	-	0.01	RUB	3.02	2.46
	Buy	JPY-USD	-	0.19	EUR	1.01	0.76
					GBP	0.03	-
					THB	0.02	0.04
					USD	-	0.02
					CAD	0.00	-
					AUD	0.00	-
4. Foreign currency receivables							
Forward exchange contracts	Sell	USD - INR	12.85	12.79	RUB	3.36	-
[Refer Note (b)]	Sell	EUR - USD	2.67	3.41	MXN	0.19	-
	Sell	RUB - USD	8.17	14.09	GBP	0.02	-
	Sell	GBP - USD	0.25	0.30	USD	-	1.67
	Sell	MXN - USD	0.62	-			

Notes :

- (a) INR = Indian Rupees, reporting currency MXN = Mexican Peso AUD = Australian Dollars
 USD = United States Dollars GBP = Great Britain Pound THB = Thai Baht
 EUR = Euro RUB = Russian Rouble CAD = Canadian Dollar
 JPY = Japanese Yen
- (b) The following are outstanding foreign exchange forward contracts on receivables, which have been designated as cash flow hedges, as at 31-Mar-2015:

Foreign currency	Buy/Sell	Net position (Amount in Crores)		Fair value gain/(loss) (₹ in Crores)	
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
USD	Sell	35.68	28.05	24.84	94.84
EUR	Sell	6.34	6.02	80.05	(10.50)
GBP	Sell	0.41	-	0.38	-
MXN	Sell	1.87	-	0.11	-
Balance in cash flow hedge reserve				105.38	84.34

NOTE - 35 : BREAK-UP OF IMPORTED AND INDIGENOUS CONSUMPTION

	Year ended 31-Mar-2015		Year ended 31-Mar-2014	
	₹ in Crores	%	₹ in Crores	%
(a) Raw Materials				
Imported	237.82	29%	227.32	31%
Indigenous	589.96	71%	513.95	69%
	827.78	100%	741.27	100%
(b) Components and spares parts				
Imported	6.58	11%	6.08	11%
Indigenous	52.99	89%	48.83	89%
	59.57	100%	54.91	100%

NOTE - 36 : CONSUMPTION OF RAW MATERIALS

	(₹ in Crores)	
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Dry Insulin MU	192.53	184.95
Others	635.25	556.32
	827.78	741.27

NOTE - 37 : VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(a) Raw Materials and Packing Material	225.95	252.92
(b) Components and Spares Parts	14.62	13.99
(c) Capital Goods	39.49	74.68

NOTE - 38 : EXPENDITURE IN FOREIGN CURRENCY

(a) Professional Fees	4.28	2.66
(b) Interest Expenses	2.76	5.45
(c) Royalty Expenses	-	1.20
(d) Liaison Support Services	98.40	96.45
(e) Others	132.92	76.65

NOTE - 39 : EARNINGS IN FOREIGN EXCHANGE

(a) F.O.B. value of exports	1,413.59	1,566.48
(b) Interest	0.87	0.27
(c) Other income [Product registration dossiers and others]	51.48	119.49

NOTE - 40 : SEGMENT REPORTING

Accounting Standard 17 requires segment information to be presented on the basis of consolidated financial statements. Accordingly segment information is disclosed in consolidated financial statements.

NOTE - 41 : ACQUISITION OF IDENTIFIED BRANDED FORMULATION BUSINESS

The Company on 29-Jun-2014 acquired the branded domestic formulations business in India and Nepal of Elder Pharmaceuticals Limited via slump sale, for a consideration of ₹ 1960 Crores.

NOTE - 42 : REGROUPING

Previous year figures have been regrouped / recasted wherever necessary, so as to make them comparable with those of the current year.

Note - 43: RELATED PARTIES AND TRANSACTIONS

The disclosures pertaining to related parties and transactions therewith are set out in the table below :

(₹ in Crores)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/Enterprises Controlled by the Holding Company		Joint Venture/Associate		Key Management Personnel		Enterprises Controlled by Key Management Personnel/Relatives of Key Management Personnel		Total	
(A) Nature of Transactions	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sale of finished goods	1,116.92	1,310.87	-	-	0.25	0.28	-	-	-	-	-	-	1,117.17	1,311.15
Torrent Do Brasil Ltda.	212.50	229.04	-	-	-	-	-	-	-	-	-	-	212.50	229.04
Torrent Pharma Inc.	647.35	683.83	-	-	-	-	-	-	-	-	-	-	647.35	683.83
Heumann Pharma GmbH & Co. Generica KG	63.51	148.59	-	-	-	-	-	-	-	-	-	-	63.51	148.59
Torrent Power Limited	-	-	-	-	0.25	0.28	-	-	-	-	-	-	0.25	0.28
Others	193.56	249.42	-	-	-	-	-	-	-	-	-	-	193.56	249.42
Sale of dossiers	(0.32)	1.02	-	-	-	-	-	-	-	-	-	-	(0.32)	1.02
Torrent Pharma GmbH	(0.32)	1.02	-	-	-	-	-	-	-	-	-	-	(0.32)	1.02
Purchase of material, consumables etc.	0.26	0.11	-	-	0.01	0.03	-	-	-	-	-	-	0.27	0.14
Torrent Cables Limited	-	-	-	-	0.01	0.03	-	-	-	-	-	-	0.01	0.03
Torrent Pharma GmbH	0.26	0.10	-	-	-	-	-	-	-	-	-	-	0.26	0.10
Others	-	0.01	-	-	-	-	-	-	-	-	-	-	0.00	0.01
Remuneration to key management personnel	-	-	-	-	-	-	-	-	24.27	20.68	-	-	24.27	20.68
Samir Mehta, Executive Chairman*	-	-	-	-	-	-	-	-	10.02	7.51	-	-	10.02	7.51
Sudhir Mehta, Chairman Emeritus	-	-	-	-	-	-	-	-	5.33	7.50	-	-	5.33	7.50
Dr. Chaitanya Dutt, Director (Research & Development)*	-	-	-	-	-	-	-	-	4.77	2.73	-	-	4.77	2.73
Ashok Modi, Executive Director & Chief Financial Officer	-	-	-	-	-	-	-	-	3.41	2.42	-	-	3.41	2.42
Mahesh Agrawal, VP (Legal) & Company Secretary	-	-	-	-	-	-	-	-	0.74	0.52	-	-	0.74	0.52
Contribution to Gratuity / Superannuation funds	-	-	18.07	16.02	-	-	-	-	-	-	-	-	18.07	16.02
TPL Employees Group Gratuity Trust	-	-	12.00	11.00	-	-	-	-	-	-	-	-	12.00	11.00
TPL Employees Superannuation Trust	-	-	6.07	5.02	-	-	-	-	-	-	-	-	6.07	5.02
Lease rent paid	-	-	-	-	0.17	0.02	-	-	-	-	-	-	0.17	0.02
Torrent Private Limited	-	-	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Torrent Power Limited	-	-	-	-	0.15	-	-	-	-	-	-	-	0.15	-
Services received	98.39	96.45	-	-	12.92	10.15	-	-	-	-	17.12	14.07	128.43	120.67
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	17.12	14.07	17.12	14.07
Torrent Pharma S.R.L.	89.34	88.10	-	-	-	-	-	-	-	-	-	-	89.34	88.10
Torrent Energy Limited	-	-	-	-	7.10	5.28	-	-	-	-	-	-	7.10	5.28
Torrent Power Limited	-	-	-	-	5.82	4.87	-	-	-	-	-	-	5.82	4.87
Others	9.05	8.35	-	-	-	-	-	-	-	-	-	-	9.05	8.35
Commission & interest paid to carrying & forwarding agents	-	-	-	-	-	-	-	-	-	-	1.70	1.31	1.70	1.31
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	1.70	1.31	1.70	1.31
Donation	-	-	-	-	-	-	-	-	-	-	2.00	8.00	2.00	8.00
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	2.00	8.00	2.00	8.00
CSR Expenses	-	-	-	-	-	-	5.00	-	-	-	6.65	0.80	11.65	0.80
Memadpur Kelavani Mandal	-	-	-	-	-	-	-	-	-	-	-	0.80	-	0.80
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00	-
Tornascent Care Institute	-	-	-	-	-	-	5.00	-	-	-	-	-	5.00	-
Shri Vadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	-	-	-	5.65	-	5.65	-

(₹ in Crores)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/Enterprises Controlled by the Holding Company		Joint Venture/Associate		Key Management Personnel		Enterprises Controlled by Key Management Personnel/Relatives of Key Management Personnel		Total	
(A) Nature of Transactions	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Interest income	0.87	0.27	-	0.33	0.05	0.07	-	-	-	-	-	-	0.92	0.80
Torrent Pharmaceuticals (Sikkim)	-	-	-	0.33	-	-	-	-	-	-	-	-	-	0.33
Torrent Pharma France S.A.S	0.83	0.22	-	-	-	-	-	-	-	-	-	-	0.83	0.22
Torrent Power Limited	-	-	-	-	0.05	0.07	-	-	-	-	-	-	0.05	0.07
Torrent Pharma Philippines Inc.	0.04	0.04	-	-	-	-	-	-	-	-	-	-	0.04	0.04
Expenses reimbursement	24.24	25.14	-	-	0.04	0.01	-	-	-	-	0.29	0.24	24.57	25.39
Torrent Pharma GmbH	15.61	17.25	-	-	-	-	-	-	-	-	-	-	15.61	17.25
Heumann Pharma GmbH & Co. Generica KG	1.69	3.43	-	-	-	-	-	-	-	-	-	-	1.69	3.43
Torrent Pharma UK Ltd	4.55	2.94	-	-	-	-	-	-	-	-	-	-	4.55	2.94
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	0.29	0.24	0.29	0.24
Torrent Power Limited	-	-	-	-	0.04	0.01	-	-	-	-	-	-	0.04	0.01
Others	2.40	1.53	-	-	-	-	-	-	-	-	-	-	2.40	1.53
Purchase of fixed assets	-	-	-	-	0.60	5.94	-	-	-	-	-	-	0.60	5.95
Torrent Cables Limited	-	-	-	-	0.60	5.94	-	-	-	-	-	-	0.60	5.94
Equity contribution	-	0.94	-	-	-	-	0.03	-	-	-	-	-	0.03	0.94
Torrent Pharma (Thailand) Co.Ltd.	-	0.85	-	-	-	-	-	-	-	-	-	-	-	0.85
Tornascent Care Institute	-	-	-	-	-	-	0.03	-	-	-	-	-	0.03	-
Others	-	0.09	-	-	-	-	-	-	-	-	-	-	-	0.09
Share of profit/(loss) from partnership firm	-	-	0.94	0.94	-	-	-	-	-	-	-	-	0.94	0.94
Torrent Pharmaceuticals (Sikkim)	-	-	0.94	0.94	-	-	-	-	-	-	-	-	0.94	0.94
Loans given	8.05	11.05	-	-	-	-	-	-	-	-	-	-	8.05	11.05
Torrent Pharma France S.A.S	8.05	11.05	-	-	-	-	-	-	-	-	-	-	8.05	11.05
Repayment of loan	3.84	4.90	-	-	-	-	-	-	-	-	-	-	3.84	4.90
Torrent Pharma Philippines Inc.	3.84	-	-	-	-	-	-	-	-	-	-	-	3.84	-
Torrent Pharma Inc.	-	4.90	-	-	-	-	-	-	-	-	-	-	-	4.90
Deposits given	-	-	-	-	-	0.44	-	-	-	-	-	-	-	0.44
Torrent Energy Limited	-	-	-	-	-	0.43	-	-	-	-	-	-	-	0.43
Others	-	-	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Share application money - pending allotment	3.84	-	-	-	-	-	-	-	-	-	-	-	3.84	-
Torrent Pharma Philippines Inc.	3.84	-	-	-	-	-	-	-	-	-	-	-	3.84	-
Recovery of expenses	0.64	1.19	-	-	-	-	-	-	-	-	0.01	0.01	0.65	1.21
Laboratories Torrent(Malaysia) SDN BHD	-	0.55	-	-	-	-	-	-	-	-	-	-	-	0.55
Torrent Pharma Inc.	0.49	0.48	-	-	-	-	-	-	-	-	-	-	0.49	0.48
Laboratorios Torrent S.A. de C.V.	0.16	0.10	-	-	-	-	-	-	-	-	-	-	0.16	0.10
Torrent Do Brasil Ltda.	-	0.06	-	-	-	-	-	-	-	-	-	-	-	0.06
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01

(₹ in Crores)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/Enterprises Controlled by the Holding Company		Joint Venture/Associate		Key Management Personnel		Enterprises Controlled by Key Management Personnel/Relatives of Key Management Personnel		Total	
(B) Balances at the end of the year	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Trade receivables	982.88	1,122.72	-	-	0.04	0.01	-	-	-	-	-	-	982.92	1,122.73
Torrent Pharma Inc.	357.01	524.65	-	-	-	-	-	-	-	-	-	-	357.01	524.65
Torrent Do Brasil Ltda.	341.52	258.48	-	-	-	-	-	-	-	-	-	-	341.52	258.48
Torrent Pharma S.R.L.	169.70	217.32	-	-	-	-	-	-	-	-	-	-	169.70	217.32
Torrent Power Limited	-	-	-	-	0.04	0.01	-	-	-	-	-	-	0.04	0.01
Others	114.65	122.28	-	-	-	-	-	-	-	-	-	-	114.65	122.28
Other receivables	-	0.62	-	-	-	-	-	-	-	-	-	-	-	0.62
Laboratorios Torrent S.A. de C.V.	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
Torrent Pharma Inc.	-	0.47	-	-	-	-	-	-	-	-	-	-	-	0.47
Others	-	0.05	-	-	-	-	-	-	-	-	-	-	-	0.05
Loans	15.78	14.05	-	-	-	-	-	-	-	-	-	-	15.78	14.05
Torrent Pharma France S.A.S	15.78	11.05	-	-	-	-	-	-	-	-	-	-	15.78	11.05
Torrent Pharma Philippines Inc.	-	3.00	-	-	-	-	-	-	-	-	-	-	-	3.00
Interest receivable on loan to subsidiary / partnership firm	0.92	0.91	-	-	-	-	-	-	-	-	-	-	0.92	0.91
Torrent Pharma Philippines Inc.	-	0.69	-	-	-	-	-	-	-	-	-	-	-	0.69
Torrent Pharma France S.A.S	0.92	0.22	-	-	-	-	-	-	-	-	-	-	0.92	0.22
Advances recoverable in cash or kind	1.05	0.91	0.22	0.22	1.45	1.48	-	-	-	-	0.02	0.14	2.74	2.75
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	0.02	0.14	0.02	0.14
Torrent Pharma France S.A.S	1.05	-	-	-	-	-	-	-	-	-	-	-	1.05	-
Torrent Pharma (UK) Ltd.	-	0.91	-	-	-	-	-	-	-	-	-	-	-	0.91
Torrent Energy Limited	-	-	-	-	1.39	1.39	-	-	-	-	-	-	1.39	1.39
TPL Employees group gratuity Trust	-	-	0.22	0.22	-	-	-	-	-	-	-	-	0.22	0.22
Torrent Power Limited	-	-	-	-	0.06	0.09	-	-	-	-	-	-	0.06	0.09
Others	-	-	-	0.00	-	-	-	-	-	-	-	0.00	0.00	0.01
Trade advances	32.22	20.83	-	-	-	-	-	-	-	-	-	-	35.35	22.70
Heumann Pharma GmbH & Co. Generica KG	29.10	18.96	-	-	-	-	-	-	-	-	-	-	29.10	18.96
Others	3.13	1.87	-	-	-	-	-	-	-	-	-	-	3.13	1.87
Investments in equities	159.36	159.36	-	-	-	-	0.03	-	-	-	-	-	159.39	159.36
Torrent Pharma GmbH	23.37	23.37	-	-	-	-	-	-	-	-	-	-	23.37	23.37
Torrent Do Brasil Ltda.	31.11	31.11	-	-	-	-	-	-	-	-	-	-	31.11	31.11
Laboratorios Torrent S.A. de C.V.	27.99	27.99	-	-	-	-	-	-	-	-	-	-	27.99	27.99
Zao Torrent Pharma	58.79	58.79	-	-	-	-	-	-	-	-	-	-	58.79	58.79
Tornascent Care Institute	-	-	-	-	-	-	0.03	-	-	-	-	-	0.03	-
Others	18.10	18.10	-	-	-	-	-	-	-	-	-	-	18.10	18.10
Investments in partnership firm	-	-	13.10	13.10	-	-	-	-	-	-	-	-	13.10	13.10
Torrent Pharmaceuticals (Sikkim)	-	-	13.10	13.10	-	-	-	-	-	-	-	-	13.10	13.10
Share of profit/(loss) from partnership firm	-	-	0.90	(0.03)	-	-	-	-	-	-	-	-	0.90	(0.03)
Torrent Pharmaceuticals (Sikkim)	-	-	0.90	(0.03)	-	-	-	-	-	-	-	-	0.90	(0.03)
Provision for diminution in value of investment	23.08	23.08	-	-	-	-	-	-	-	-	-	-	23.08	23.08
Zao Torrent Pharma	23.08	23.08	-	-	-	-	-	-	-	-	-	-	23.08	23.08
Trade & services payables	84.19	89.91	-	-	0.82	0.86	-	-	-	-	0.77	0.76	85.78	91.54
Torrent Pharma GmbH	11.96	5.78	-	-	-	-	-	-	-	-	-	-	11.96	5.78
Torrent Pharma S.R.L.	54.15	71.17	-	-	-	-	-	-	-	-	-	-	54.15	71.17
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	0.63	0.66	0.63	0.66
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	0.14	0.10	0.14	0.10
Torrent Energy Limited	-	-	-	-	0.08	-	-	-	-	-	-	-	0.08	-
Torrent Cables Limited	-	-	-	-	0.29	0.48	-	-	-	-	-	-	0.29	0.48
Torrent Power Limited	-	-	-	-	0.44	0.37	-	-	-	-	-	-	0.44	0.37
Torrent Private Limited	-	-	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Others	18.07	12.97	-	-	-	-	-	-	-	-	-	-	18.07	12.97
Other payables	-	-	-	-	-	-	-	-	16.23	16.69	-	-	16.23	16.69
Samir Mehta, Executive Chairman	-	-	-	-	-	-	-	-	11.73	9.19	-	-	11.73	9.19
Sudhir Mehta, Chairman Emeritus	-	-	-	-	-	-	-	-	4.50	7.50	-	-	4.50	7.50
Share application money - pending allotment	3.84	-	-	-	-	-	-	-	-	-	-	-	3.84	-
Torrent Pharma Philippines Inc.	3.84	-	-	-	-	-	-	-	-	-	-	-	3.84	-
Guarantees given	525.76	36.06	-	-	-	-	-	-	-	-	-	-	525.76	36.06
Torrent Pharma Inc. (75 Million USD)	469.43	-	-	-	-	-	-	-	-	-	-	-	469.43	-
Torrent Pharma S.R.L. (6 Million USD)	37.55	36.06	-	-	-	-	-	-	-	-	-	-	37.55	36.06
Torrent Pharma Philippines (3 Million USD)	18.78	-	-	-	-	-	-	-	-	-	-	-	18.78	-

*amount excluding premium for group personal accident and group mediclaim

Names of related parties and description of relationship :

1	Subsidiaries and Step Down Subsidiaries	Zao Torrent Pharma, Torrent Pharma Gmbh, Torrent Do Brasil Ltda., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Heumann Pharma Gmbh & Co. Generica KG, Torrent Australasia Pty Ltd, Torrent Pharma S.R.L., Laboratorios Torrent, S.A. De C.V., Heunet Pharma Gmbh, Norispharm Gmbh, Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co., Ltd., Torrent Pharma (UK) Ltd, Laboratories Torrent (Malaysia) SDN.BHD., Torrent Pharma France S.A.S., Aptil Pharma Limited				
2	Enterprises controlled by the Company	TPL Employee Group Gratuity Trust, TPL Employee Superannuation Trust, Torrent Pharmaceuticals (Sikkim)				
3	Holding Company / Enterprises Controlled by the Holding Company	Torrent Private Limited., Torrent Financiers, Torrent Power Limited., Torrent Cables Limited., Torrent Power Services Pvt. Limited. Torrent Pipavav Generation Limited, Torrent Energy Limited, Torrent Power Grid Limited, Torrent Solargen Limited, AEC Cements and Constructions Limited.				
4	Joint Venture/Associate	Tornascent Care Institute.				
5	Key Management Personnel	Shri Sudhir Mehta Chairman Emeritus	Shri Samir Mehta Executive Chairman	Dr. Chaitanya Dutt Director (Research & Development)	Shri Ashok Modi Executive Director & Chief Financial Officer	Shri Mahesh Agrawal VP (Legal) & Company Secretary
6	Relatives of Key Management Personnel	Smt. Anita Mehta, Wife Smt. Shardaben Mehta, Mother Shri Varun Mehta, Son Shri Jinal Mehta, Son Shri Samir Mehta, Brother Smt. Meena Modi, Sister Smt. Nayana Shah, Sister	Smt. Sapna Mehta, Wife Smt. Shardaben Mehta, Mother Shri Aman Mehta, Son Shri Shaan Mehta, Son Shri Sudhir Mehta, Brother Smt. Meena Modi, Sister Smt. Nayana Shah, Sister	Smt. Shobha Dutt, Wife Shri Umang Dutt, Son Shri Uttang Dutt, Son	Smt. Neelam Modi, Wife Smt. Gayatriben Modi, Mother Shri Varun Modi, Son Ms. Surabhi Modi, Daughter Ms. Rashmi Modi, Daughter Shri Mahendra Modi, Brother Shri Surendra Modi, Brother Smt. Kusum Safaria, Sister	Smt. Saroj Agrawal, Wife Shri Dwarkaprasad Agrawal, Father Smt. Vidhya Devi Agrawal, Mother Shri Krishan Agrawal, Son Shri Abhishek Agrawal, Son Shri Arun Agrawal, Brother Smt. Kanta Agrawal, Sister
7	Enterprises Controlled by Key Management Personnel/ Relatives of Key Management Personnel	U N Mehta Charitable Trust, D N Modi Charitable Trust, Shardaben Mehta Charitable Trust, Tsunami Tours & Travels Pvt. Ltd., Torrel Cosmetics Pvt. Ltd., Zeal Pharmachem India Pvt Ltd, Diamond Infrastructure Private Limited, U. N. Mehta Institute of Cardiology & Research Centre, Dushyant Shah Charitable Trust, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal				

As per our attached report of even date

Signatures to notes forming part of Financial Statements 1 to 43

For DELOITTE HASKINS & SELLS
Chartered Accountants

Samir Mehta
Executive Chairman

Hemendra Shah
Partner

Ashok Modi
Executive Director
& Chief Financial Officer

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

Ahmedabad
15th May, 2015

Consolidated Financial Statements 2014-15

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TORRENT PHARMACEUTICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of eighteen subsidiaries whose financial statements reflect total assets of ₹ 2,556.91 crores as at 31st March, 2015, total revenues of ₹ 2,162.25 crores and net cash outflows amounting to ₹ 15.96 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding company being the only company in the group to which the Order is applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company being the only company in the group to which requirements of section 164 (2) of the Act are applicable, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 25 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 8 & 29 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company being the only company in the group to which such requirements of the Act are applicable.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra Shah
Partner
(Membership No. 33590)

Ahmedabad
15th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes only the Holding Company and does not include seventeen subsidiary companies which are incorporated outside India and also does not include the partnership firm to which the Order is not applicable.

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified over a period of three years by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on such verification have been properly dealt with in the books of account.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax/VAT, Service Tax, Excise Duty, Cess and Employees' State Insurance which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Crores)
West Bengal Sales Tax Act, 1994	Demand of Tax	Taxation Tribunal, West Bengal	2004-05	0.10
West Bengal Value Added Tax Act, 2003	Demand of Tax	Addl.C.C.T, West Bengal	2005-06 to 2008-09	1.34
		Joint Commissioner Commercial Tax, West Bengal	2010-11	0.47
Uttar Pradesh Trade Tax Act, 1948	Demand of Tax	Joint Commissioner Commercial Tax, Uttar Pradesh	2003-04 and 2005-06	0.41

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Crores)
Uttar Pradesh Trade Tax Act, 2008	Demand of Tax	Joint Commissioner Commercial Tax, Uttar Pradesh	2010-11	0.50
	Demand of Penalty	Tribunal, Uttar Pradesh	2009-10	0.02
The Orissa Value Added Tax Act, 2004	Demand of Tax	Additional Commissioner of Sales Tax, Orissa	2004-05 to 2008-09	0.13
The Maharashtra Value Added Tax Act, 2002	Demand of Tax	DC Appeals	2006-07	0.85
The Kerala Value Added Tax Act, 2003	Demand of Tax	DC Appeals	2007-08	0.69
The Central Excise Act, 1944	Cenvat Credit / Input Service Tax / Demand of Duty and penalty	Assistant Commissioner Central Excise Gangtok division	2012-13	0.05
		CESTAT	2005-06 to 2011-12	0.39
		Commissioner (Appeals)	2006-07	0.02
		Commissioner Siliguri	2011-12	1.91
		Dy. Commissioner Central Excise Kalol	2013-14	0.06
	Recovery for rebate	Assistant Commissioner Central Excise Shimla division	2013-14	0.00
Finance Act, 1994	Demand of Penalty	CESTAT	2006-07 to 2012-13	2.38
		Assistant Commissioner - Division II, Service tax	2009-10 to 2014-15	0.01
	Demand of tax and penalty	Commissioner, Service tax Ahmedabad	2012-13 & 2013-14	6.99
		Additional Commissioner, Service tax Ahmedabad	2011-12 to 2013-14	0.53
The E.S.I Act, 1948	E.S.I Contribution	Gujarat High Court	1993-94 to 2012-13	7.01
Income Tax Act, 1961	Demand of Tax	Commissioner of Income Tax (Appeals)	2004-05 & 2008-09	0.59

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the Holding Company, has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117365W)

Ahmedabad
15th May, 2015

Hemendra Shah
Partner
(Membership No. 33590)

CONSOLIDATED BALANCE SHEET

	Notes	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	84.62	84.62
Reserves and surplus	4	2,405.94	1,817.81
		2,490.56	1,902.43
Minority interest		0.43	0.40
Non-current liabilities			
Long-term borrowings	5	2,185.22	744.46
Deferred tax liabilities (net)	6	188.84	47.48
Other long-term liabilities	7	7.51	10.03
Long-term provisions	8	207.49	190.43
		2,589.06	992.40
Current liabilities			
Short-term borrowings	5	319.07	210.43
Trade payables		1,827.72	1,429.13
Other current liabilities	7	453.43	371.63
Short-term provisions	8	230.81	163.39
		2,831.03	2,174.58
TOTAL		7,911.08	5,069.81
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		921.61	846.72
Intangible assets		1,895.18	28.62
Capital work-in-progress		678.33	534.11
		3,495.12	1,409.45
Goodwill on consolidation		15.87	-
Non-current investments	10	0.06	0.03
Deferred tax assets (net)	6	84.14	65.64
Long-term loans and advances	11	206.92	129.47
Other non-current assets	12	50.28	60.74
		3,852.39	1,665.33
Current assets			
Current investments	10	297.59	185.63
Inventories	13	1,067.17	1,006.06
Trade receivables	14	1,594.54	1,099.42
Cash and cash equivalents	15	567.36	769.42
Short-term loans and advances	11	109.09	84.95
Other current assets	12	422.94	259.00
		4,058.69	3,404.48
TOTAL		7,911.08	5,069.81
Notes forming part of the Consolidated Financial Statements		1-35	

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
15th May, 2015

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Consolidated Balance Sheet

Samir Mehta
Executive Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Notes	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
REVENUE			
Revenue from operations			
Sales		4,593.22	4,043.68
Less : Excise duties		7.88	7.38
Net sales		4,585.34	4,036.30
Operating income		68.11	148.42
Revenue from operations (net)	16	4,653.45	4,184.72
Other income	17	285.55	38.13
Total Revenue		4,939.00	4,222.85
EXPENSES			
Cost of materials consumed	18	973.51	878.02
Purchases of stock-in-trade		502.20	413.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(60.87)	(53.53)
Employee benefits expense	20	841.81	741.10
Finance costs	21	175.16	58.63
Depreciation, amortisation and impairment expense		190.74	87.00
Other expenses	22	1,376.64	1,253.75
Total Expenses		3,999.19	3,378.87
PROFIT BEFORE TAX		939.81	843.98
TAX EXPENSE			
Current tax [Net of MAT credit utilized Nil (previous year ₹ 14.94 Crores)]		195.19	224.56
Deferred tax charge / (credit)		117.70	(41.29)
MAT credit entitlement		(134.74)	-
Short / (excess) provision for tax of earlier years		10.69	(3.20)
		188.84	180.07
NET PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		750.97	663.91
Minority interest		0.03	0.03
NET PROFIT FOR THE YEAR AFTER MINORITY INTEREST		750.94	663.88
Earnings per share [Nominal value per equity share of ₹ 5]			
Basic and diluted	23	44.38	39.23
Notes forming part of the Consolidated Financial Statements	1-35		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
15th May, 2015

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Consolidated Statement of Profit and Loss

Samir Mehta
Executive Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	939.81	843.98
Adjustments for :		
Depreciation, amortization and impairment	190.74	87.00
Allowance for doubtful debts (net of bad debts)	4.30	22.84
Foreign exchange loss on borrowings	-	2.90
(Gain) / Loss on sale / discard / write-off of fixed assets	(1.13)	3.78
Provision on asset held for sale	0.08	0.29
(Profit) on sale of current investments	(15.97)	(10.55)
Finance cost	175.16	58.63
Interest income	(14.58)	(27.42)
Government grant	(0.64)	(0.68)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,277.77	980.77
Adjustments for changes in working capital :		
Trade receivables, loans & advances and other assets	(806.56)	(475.13)
Inventories	(61.10)	(82.21)
Trade payables, liabilities and provisions	458.28	437.66
CASH GENERATED FROM OPERATIONS	868.39	861.09
Direct taxes paid	(58.19)	(261.67)
NET CASH FROM OPERATING ACTIVITIES	810.20	599.42
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Business (Note 32)	(1,960.00)	-
Purchase of fixed assets	(242.57)	(400.08)
Proceeds from fixed assets sold	6.14	1.90
Profit on sale of current investments	15.97	10.55
Interest received	18.16	31.82
NET CASH USED IN INVESTING ACTIVITIES	(2,162.30)	(355.81)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,660.39	426.74
Repayment of long-term borrowings	(144.27)	(84.87)
Net proceeds / (repayment) of short term borrowings	90.04	72.26
Government grant	0.64	0.68
Dividend paid	(199.69)	(267.39)
Finance cost paid	(194.86)	(61.02)
NET CASH USED IN FINANCING ACTIVITIES	1,212.25	86.40
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(139.85)	330.01
Effect of exchange rate changes on foreign currency cash and cash equivalents	49.75	(62.37)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	955.05	687.41
CASH AND CASH EQUIVALENTS AT END OF YEAR	864.95	955.05
Note: Cash and cash equivalents as at end of the year		
Cash and cash equivalents as per Note - 15	567.36	769.42
Current investments as per Note - 10	297.59	185.63
	864.95	955.05

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
15th May, 2015

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Consolidated Cash Flow Statement

Samir Mehta
Executive Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
15th May, 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 1 GROUP INFORMATION

The consolidated financial statements comprise the financial statements of the Parent Company, Torrent Pharmaceuticals Limited (TPL) and the following subsidiaries / step-down subsidiaries / partnership entity (together referred to as Group) :

Entity	Country of Incorporation
Subsidiaries [having 100% proportion of ownership interest]	
Zao Torrent Pharma	Russia
Torrent Do Brasil Ltda	Brazil
Torrent Pharma GmbH (TPG)	Germany
Torrent Pharma Inc.	USA
Torrent Pharma Philippines Inc.	Philippines
Laboratorios Torrent, S.A. de C.V.	Mexico
Torrent Australasia Pty Ltd.	Australia
Torrent Pharma Canada Inc.	Canada
Torrent Pharma (Thailand) Co., Limited.	Thailand
Torrent Pharma S.R.L.	Romania
Torrent Pharma (UK) Ltd (TPUK)	United Kingdom
Laboratorios Torrent (Malaysia) SDN.BHD.	Malaysia
Torrent Pharma France S.A.S.	France
Step-down subsidiaries of TPG [having 100% proportion of ownership interest]	
Heumann Pharma GmbH & Co. Generica KG	Germany
Heunet Pharma GmbH	Germany
Norispharm GmbH	Germany
Step-down subsidiaries of TPUK [having 100% proportion of ownership interest]	
Aptil Pharma Limited	United Kingdom
Partnership Firm [having 97% proportion of ownership interest]	
Torrent Pharmaceuticals (Sikkim)	India

Aptil Pharma Limited, a wholly owned subsidiary of Torrent Pharma (UK) Ltd was acquired on 29-April-2014.

During the year, the parent company has invested ₹ 0.03 Crores in equity share capital (being 50% proportion of ownership interest) of Tornascent Care Institute ("TCI"), a company incorporated under Section 8 of the Companies Act, 2013. In view of the restrictions on TCI to transfer funds and no economic benefits to its members, the parent company's proportionate share in TCI has not been considered in the consolidated financial statements.

NOTE - 2 : SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP

2.1 Basis for preparation of financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting, and in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP includes Accounting Standards (AS) notified by the Central Government of India under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and provisions of the Companies Act, 2013, pronouncements of Institute of Chartered Accountants of India and guidelines issued by Securities and Exchange Board of India (SEBI).

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

Except where otherwise stated, the accounting policies are consistently applied.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as non current.

2.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgments and estimates, which it believes are reasonable under the circumstances, that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialise.

2.3 Principles of consolidation

The consolidated financial statements are prepared in accordance with principles and procedures required for preparation and presentation of consolidated financial statements as laid down under AS 21 "Consolidated Financial Statements". The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealized profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related asset is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities. Minority interest represents part of net profit / loss and net assets of entities that are not directly or indirectly, owned by the Company and is excluded and disclosed separately.

The excess / shortfall of cost to the Parent Company of its investment over its portion of equity in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the financial statements as goodwill / capital reserve. Goodwill is tested for impairment at the end of each accounting year.

2.4 Fixed assets, depreciation and amortization

Tangible assets

- (a) Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.
- (b) Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.
- (c) Depreciation on fixed assets is provided using the straight line method based on useful life of the assets estimated by the management.

The management's estimate of the useful life for various categories of fixed assets is given below:

Office buildings*	58 years
Factory buildings*	28 years
Plant and machinery*	10 to 20 years
Laboratory equipment*	5 to 20 years
Electrical equipment *	5 to 20 years
Furniture and fixtures	3 to 10 years
Office equipment*	10 years
Computer equipment	2 to 5 years
Vehicles*	5 to 10 years

* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

- (d) Cost of leasehold land (except for lease of long tenure) is amortized over the period of the lease. Cost of lease hold land where lease period is of long tenure and substantial rights of ownership are with lessee, is not amortized.

Intangible assets

- (a) Acquired product licenses are capitalized at costs comprising of direct costs of purchase and expenses directly attributable to the purchase of Product licenses.
- (b) Software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow there from for a period longer than one year.
- (c) Intangible assets are amortized over their estimated useful lives on a straight-line basis. The management's estimate of the useful life of various categories of intangible assets are given below:

Product license	Upto 10 years
Software	3 to 5 years
Brands	Upto 15 years
Non Compete agreement	Upto 3 years
Goodwill	Upto 15 years

The management estimated useful life of 15 years for brands and goodwill, based on expected growth in sales, future competition, life cycle of brand, over which majority of the future economic benefits will be generated.

Impairment of assets

- (a) Fixed assets are reviewed for impairment losses at each balance sheet date for events or changes in circumstances indicating that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.
- (b) Fixed assets that have been retired from their active use and held for disposal, are classified as current assets, and are stated at lower of their cost and net realizable value.

2.5 Investments

- (a) Non current investments are carried at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.
- (b) Current investments are carried at lower of cost and fair value. Diminution in value is charged to the statement of profit and loss.
- (c) Current investments readily convertible in known amount of cash and subject to insignificant risk of changes in value are classified as cash and cash equivalents for preparation of cash flow statement.

2.6 Cash flow statement

The cash flow statement is prepared as per the "Indirect Method" as set out in AS - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

2.7 Inventories

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is uncertainty in salability of an item. Costs incurred in bringing inventories to its existing location and condition are determined on the following basis:

- (a) Raw material and packing material - Purchase cost of materials on moving average basis.
- (b) Finished goods (manufactured) and work-in-progress - Cost of purchase, cost of conversion and other costs proportionately allocated determined on weighted average basis.
- (c) Finished goods (traded) - Purchase cost on moving average basis.

2.8 Revenue recognition

- (a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customer. Sales are net of discounts, sales tax, value added tax and estimated returns. Excise duty collected on sales are shown by way of deduction from sales.
- (b) Provision / accrual for sales returns, chargeback, rebates and medicaid payments are estimated and provided for in the year of sale and recorded as reduction from revenue. A chargeback claim is made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the contracted price at which it is agreed to be sold to third parties. Provision / accruals for chargeback, rebates, returns and medicaid payments are estimated on the basis of historical experience, market conditions and specific contractual terms. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- (c) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- (d) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.
- (e) Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (f) Dividend income is recognized when the unconditional right to receive dividend is established.
- (g) Interest income is recognized using the time-proportionate method, based on rates implicit in the transaction.
- (h) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

2.9 Employees retirement and other benefits

(a) Short-term employee benefits:

Short term employee benefits like salaries, wages, and bonus and welfare expenses payable wholly within twelve months of rendering the service are accrued in the year in which the associated services are rendered by the employees.

(b) Long-term employee benefits:

Defined contribution plan:

Contribution in case of defined contribution plans (Provident Fund, Superannuation benefit, Social Security schemes and other fund/schemes) is charged to statement of profit and loss as and when it is incurred as employee benefits.

Defined benefit plan:

The accruing liability on account of defined benefit plans (gratuity, pension and other retirement benefit plans) is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain / loss are debited / credited, as the case may be, to the statement of profit and loss of the year as employee benefits.

The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at Balance Sheet date.

2.10 Government grants

- (a) Government grants are recognized when there is reasonable assurance that the grant will be received and all relevant conditions are complied with.
- (b) Grants received by way of investment subsidy scheme in relation to total investment are credited to capital reserve and are treated as part of owners' fund.
- (c) Grants that compensate expenses are recognized on receipt basis.

2.11 Finance costs

Finance costs consist of interest, amortization of ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

2.12 Research and development

Revenue expenditure on research and development is expensed off under the respective head of expenses in the year in which it is incurred.

2.13 Leases

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on accrual and straight line basis over the lease term.

2.14 Accounting for taxes

- (a) Current tax is the aggregation of the tax charge appearing in the group companies.
- (b) Deferred Tax resulting from timing differences between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are arrived at after setting off deferred tax assets and liabilities where the group has a legally enforceable right to set-off assets against liabilities, and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.
- (c) Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset when it is probable that the future economic benefit associated with it will flow to the Company.

2.15 Foreign currency transactions and balances

The reporting currency of the group is Indian Rupee. However, the local currencies of foreign operation are different from the reporting currency of the group.

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.
- (b) The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise.
- (c) Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing rate. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction. The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification, issued by the Ministry of Corporate Affairs.

Investments in shares of foreign subsidiaries and other entities are expressed in reporting currency at the rates of exchange prevailing at the time when the original investments were made.

2.16 Derivative instruments and hedge accounting

- (a) In case of forward contracts, to which AS 11, The Effects of Changes in Foreign Exchange Rate (AS 11) applies, the difference between the forward rate and the exchange rate on the date of the contract is recognized as income or expense over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the period in which the exchange rates change.
- (b) Foreign currency forward contracts, to which AS 11 does not apply, hedge accounting principles set out in AS 30 "Financial Instruments: Recognition and Measurement" are adopted w.e.f. 01-Apr-2011 to the extent they do not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements. These transactions comprise of forward contracts taken to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions and designated as cash flow hedges and valued at fair value. Changes in the fair value of these forward contracts that are effective hedges are recognized directly in cash flow hedge reserve account and the ineffective portion is recognized in the statement of profit and loss.

Amount accumulated in cash flow hedge reserve account is reclassified to the statement of profit and loss in the same period during which the forecasted transaction materialize. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedge reserve account is immediately transferred to the statement of profit and loss for the period.

2.17 Translation of financial statements of foreign operations

Foreign operations comprises of foreign subsidiaries and representative offices. All foreign subsidiaries are classified as non-integral and representative offices as integral considering the way in which they are financed and operate in relation to the Parent Company. Consequently, translation of respective financial statements is effected as under:

Non-integral operations:

- (a) Revenues and expenses are translated to reporting currency at the monthly average exchange rates based on the daily closing rates.
- (b) Inventories are translated at the six monthly average exchange rates based on the daily closing rates for the period of six months to the date of balance sheet.
- (c) All assets and liabilities, both monetary and non-monetary (except inventory), are translated to reporting currency at the exchange rate prevalent at the date of the balance sheet.
- (d) The resulting net exchange differences are recognized as foreign currency translation reserve.

Integral operations:

- (a) Revenues and expenses (except depreciation) are translated at the respective monthly average exchange rates based on the daily closing rates. Depreciation is translated at historical rates.
- (b) Monetary & Non-monetary items are translated using closing rate and historical rate respectively.
- (c) Exchange differences arising on translation are recognized in statement of profit and loss.

2.18 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources for which reliable estimates can be made. Liabilities which are of a contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 3 : SHARE CAPITAL		
Authorised		
200,000,000 (previous year 200,000,000) equity shares of ₹ 5 each	100.00	100.00
2,500,000 (previous year 2,500,000) preference shares of ₹ 100 each	25.00	25.00
	125.00	125.00
Issued		
169,236,720 (previous year 169,236,720) equity shares of ₹ 5 each	84.62	84.62
Subscribed and paid-up		
169,222,720 (previous year 169,222,720) equity shares of ₹ 5 each	84.62	84.62
Forfeited shares		
Amount originally paid up on 14,000 (previous year 14,000) equity shares of ₹ 5 each forfeited * Amount ₹ 35,000/- (previous year ₹ 35,000/-)	*	*
	84.62	84.62

Notes:

- (i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31-Mar-2015		As at 31-Mar-2014	
	Numbers	₹ in Crores	Numbers	₹ in Crores
As at the beginning of the year	169,222,720	84.62	84,611,360	42.31
Add : Bonus issued during the year	—	—	84,611,360	42.31
Outstanding at the end of the year	169,222,720	84.62	169,222,720	84.62

- (ii) Details of shares allotted for consideration other than cash, bonus shares and shares bought back in previous five financial years is as under:

The Company allotted 84,611,360 Equity Shares as fully paid up bonus shares of ₹ 5 each, pursuant to the shareholders' resolution passed on 12-Jul-2013.

- (iii) 86,115,472 (previous year 86,115,472) equity shares of ₹ 5 each are held by the holding Company, Torrent Private Limited.

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 4 : RESERVES AND SURPLUS		
Capital reserve	6.27	6.27
Capital redemption reserve		
Balance as per last balance sheet	-	3.85
Add : Utilised for issue of bonus shares during the year	-	(3.85)
	-	-
Securities premium account		
Balance as per last balance sheet	4.34	42.80
Add : Utilised for issue of bonus shares during the year	-	(38.46)
	4.34	4.34
Cash flow hedge reserve		
Balance as per last balance sheet	84.34	9.96
Add : Adjustment during the year	21.04	74.38
	105.38	84.34
General reserve		
Balance as per last balance sheet	1,089.61	1,013.38
Add : Transfer from statement of profit and loss	63.00	76.23
	1,152.61	1,089.61
Foreign currency translation reserve		
Balance as per last balance sheet	(73.86)	(14.10)
Add : Foreign currency translation reserve for the year	44.59	(59.76)
	(29.27)	(73.86)
Balance in statement of profit and loss		
Balance as per last balance sheet	707.11	317.46
Add: Net profit for the year	750.94	663.88
Less: Appropriations		
Interim dividend [₹ 5.00 per share (previous year ₹ 5.00 per share)]	84.62	84.62
Proposed dividend [₹ 6.25 per share (previous year ₹ 5.00 per share)]	105.76	84.62
Tax on distributed profits	38.06	28.76
Transfer to general reserve	63.00	76.23
Balance in statement of profit and loss	1,166.61	707.11
	2,405.94	1,817.81

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 5 : BORROWINGS		
Long-term borrowings, non-current portion [Note: (ii)]		
Secured term loans :		
from banks [Note: (i)(a)]	2,171.60	730.72
Unsecured term loans :		
from others	13.62	13.74
	2,185.22	744.46
Long-term borrowings, current portion [Note: (ii)]		
Secured term loans from banks [Note: (i)(a)]	233.45	135.00
Unsecured term loans :		
from banks	-	39.64
from others	2.61	2.23
	2.61	41.87
	236.06	176.87
Short-term borrowings		
Secured loans from banks [Note: (i)(b)]	314.07	19.62
Unsecured loans from banks	5.00	190.81
	319.07	210.43
	2,740.35	1,131.76

Notes:

(i) Loans are secured by:

(a) Term loans of ₹ 605.05 Crores (previous year ₹ 295.27 Crores) from banks are secured by & Term loans of ₹ NIL (previous year ₹ 270.45 Crores) to be secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, located at formulation manufacturing facilities, village Indrad; research facilities, village Bhat; corporate office, Ahmedabad, all in Gujarat, and manufacturing facilities, village Bhud; in Himachal Pradesh, on pari passu basis.

Term loan of ₹ 1400 Crores (previous year ₹ 100 Crores) from bank is secured by & Term Loan of ₹ 200 Crores (previous year NIL) are to be secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, of formulation manufacturing facilities located at Dahej (SEZ) in Gujarat and Gangtok in Sikkim, on pari passu basis along with some of the identified brands of the Company in respect of which the Company is in the process of creating the charge.

Term loan of ₹ 200 Crores (previous year ₹ 200 Crores) from bank is secured by first equitable mortgage of free hold land located at village Rakanpur and free hold land and buildings located at Delhi, on pari passu basis along with some of the identified brands of the Company. The Company is in the process of creating charge on assets located at village Rakanpur & Delhi.

(b) Working capital facilities are secured by hypothecation of inventories and book debts.

(ii) The terms of repayment of loan obligations on principal amount repayable in yearly installments, for the secured and unsecured long-term loans are as under:

(₹ in Crores)		
Financial year	Secured	Unsecured
2015-16	233.45	2.61
2016-17	530.19	3.90
2017-18	318.06	3.78
2018-19	348.10	2.67
2019-20	357.66	1.98
2020-21	322.59	1.29
2021-22	245.00	-
2022-23	50.00	-
Total	2,405.05	16.23

	Notes	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 6 : DEFERRED TAX			
Deferred tax liabilities			
Excess of aggregate depreciation claimed under the income tax law over that debited to statement of profit and loss in the earlier years		221.21	75.38
Unrealized foreign exchange gain		-	0.23
		221.21	75.61
Deferred tax assets			
Provision for employee benefits expense		(37.73)	(31.48)
Provision for impairment of inventories		(19.16)	(33.59)
Provision for expenses		(10.60)	(3.80)
Provision for chargebacks		(21.00)	(9.08)
Provision for doubtful debts		(8.37)	(10.65)
Unrealized foreign exchange loss		(2.89)	(4.07)
Provision for goods dispatched but not delivered		(0.61)	(0.83)
Provision for doubtful claim receivables		(0.01)	(0.01)
Tax losses of subsidiaries		(15.60)	(0.26)
Excess of depreciation debited to statement of profit and loss over that claimed under the income tax law		(0.54)	-
		(116.51)	(93.77)
		104.70	(18.16)
Deferred tax liabilities / (assets) net			
The deferred tax liabilities / assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:			
Deferred tax liabilities		188.84	47.48
Deferred tax assets		(84.14)	(65.64)
		104.70	(18.16)
NOTE - 7 : OTHER LIABILITIES			
Long-term liabilities			
Creditors for capital goods		6.53	5.77
Trade deposits		0.13	0.34
Derivative financial instruments		0.85	3.92
		7.51	10.03
Current liabilities			
Current maturities of long-term debt	5	236.06	176.87
Interest accrued but not due on borrowings		17.65	3.68
Unclaimed dividend (not due)		1.74	0.92
Creditors for capital goods		32.49	38.22
Payables for employee benefits		73.81	63.12
Trade advances and deposits		15.78	17.20
Payables to statutory and other authorities		46.30	36.37
Book overdraft		11.57	4.17
Derivative financial instruments		9.47	25.71
Other payables		8.56	5.37
		453.43	371.63
		460.94	381.66

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 8 : PROVISIONS		
Long-term provisions		
Provision for employee benefits		
Post-retirement benefits	75.67	70.53
Leave benefits	52.96	37.24
	128.63	107.77
Provision for sales returns	57.35	47.31
Provision for expenses	21.51	35.35
	207.49	190.43
Short-term provisions		
Provision for employee benefits		
Post-retirement benefits	1.29	1.58
Leave benefits	7.20	7.82
	8.49	9.40
Provision for sales returns	71.70	53.42
Proposed dividend	105.76	84.62
Tax on distributed profits	21.15	14.38
Provision for taxation, net of advance tax	23.71	1.57
	230.81	163.39
	438.30	353.82

NOTE - 9 : FIXED ASSETS

(₹ in Crores)

Particulars	Gross Block (At Cost)				Depreciation, Amortisation and Impairment				Net Block	
	As at 01-Apr-14	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-15	Foreign Exchange Translation	As at 31-Mar-15	As at 31-Mar-15	Foreign Exchange Translation	As at 31-Mar-15	As at 31-Mar-14
TANGIBLES										
Land										
Freehold	116.05	-	-	116.05	-	-	-	-	116.05	116.05
Leasehold	46.19	-	-	46.19	-	1.98	1.98	-	44.21	45.04
Building	312.70	40.55	0.97	352.28	(0.48)	9.55	77.94	(0.14)	273.86	243.96
Plant & equipment	644.61	96.11	8.49	732.23	(3.24)	51.51	336.41	(0.97)	392.58	352.07
Furniture & fixtures	41.56	3.57	2.77	42.36	(0.66)	3.16	25.79	(0.54)	15.91	16.06
Vehicles	13.45	0.51	1.84	12.12	(0.42)	1.28	5.24	(0.19)	6.46	8.44
Office equipment	50.24	4.15	3.00	51.39	(1.04)	3.66	38.87	(0.75)	11.48	11.56
Electrical equipment	99.08	13.66	1.01	111.73	(1.21)	5.06	49.46	(0.51)	61.06	53.54
(A)	1,323.88	158.55	18.08	1,464.35	(7.05)	75.05	535.69	(3.10)	921.61	
Previous Year	1,203.16	132.15	13.47	1,321.84	2.04	78.07	477.16	0.77		846.72
INTANGIBLES										
Computer software	34.61	2.20	-	36.81	(1.25)	3.99	30.77	(0.93)	4.79	6.90
Product licenses	61.55	24.73	-	86.28	(12.08)	6.83	38.85	(7.81)	35.35	21.72
Brands	-	1,814.70	-	1,814.70	-	91.48	91.48	-	1,723.22	-
Non-compete agreement	-	30.50	-	30.50	-	7.69	7.69	-	22.81	-
Goodwill	-	114.80	-	114.80	-	5.79	5.79	-	109.01	-
(B)	96.16	1,986.93	-	2,083.09	(13.33)	115.78	174.58	(8.74)	1,895.18	
Previous Year	74.99	12.47	0.44	87.02	9.14	8.96	67.54	6.26		28.62
Total (A+B)										
Current Year	1,420.04	2,145.48	18.08	3,547.44	(20.38)	190.83	722.11	(11.84)	2,816.79	
Previous Year	1,278.15	144.62	13.91	1,408.86	11.18	87.03	537.67	7.03		875.34

Notes:

- Foreign Exchange Translation represents foreign exchange difference arising due to translation of all foreign subsidiaries fixed assets at closing exchange rate.
- Pro-rata cost of assets owned jointly with Torrent Power Limited, a Company under same management is as under :

(₹ in Crores)

Particulars	Proportion of holding	As at 31-Mar-15	As at 31-Mar-14
Freehold Land	50%	23.79	23.79
Freehold Land	30%	35.69	35.69
Buildings	30%	0.65	0.11

- Depreciation, Amortization and Impairment includes ₹ 0.09 Crores (previous year ₹ 0.12 Crores) transferred to capital work in progress as pre operative expenses

		(₹ in Crores)	
		As at 31-Mar-2015	As at 31-Mar-2014
NOTE - 10 : INVESTMENTS	No. of Units		
Non-current investments [valued at cost]			
Trade investments, unquoted			
GPC Cayman Investors I Ltd. - fully paid up equity shares of USD 10 each [Note i]	820601	37.49	37.49
Less: Provision for diminution in value		37.49	37.49
		-	-
Shivalik Solid Waste Limited - fully paid up equity shares of ₹ 10 each	20000	0.02	0.02
		0.02	0.02
Non-trade investments, unquoted			
Tornascent Care Institute - fully paid up equity shares of ₹ 10 each (Previous year NIL)	25000	0.03	-
National savings certificates		0.01	0.01
		0.04	0.01
		0.06	0.03
Current investments [valued at lower of cost or fair value]			
Mutual funds [Note ii]		284.59	173.63
Corporate deposit with HDFC Limited		13.00	12.00
		297.59	185.63
Aggregate unquoted investments		297.65	185.66
Notes :			
(i) Aggregate provision for diminution in value of investments		37.49	37.49
(ii) Aggregate net asset value of investment in mutual funds		285.46	174.07
NOTE - 11 : LOANS AND ADVANCES			
[Unsecured and considered good, unless otherwise stated]			
Non-current loans and advances			
Capital advances		24.21	83.59
Security deposits		11.10	18.01
Advance tax paid, net of provisions		35.88	26.73
MAT credit entitlement		134.74	-
Other advances recoverable in cash or kind or for value to be received		0.99	1.14
		206.92	129.47
Current loans and advances			
Security deposits		0.67	0.17
Balance with VAT, excise and customs department		0.25	0.57
Other advances recoverable in cash or kind or for value to be received		108.17	84.21
		109.09	84.95
		316.01	214.42

	(₹ in Crores)	
	As at 31-Mar-2015	As at 31-Mar-2014
NOTE - 12 : OTHER ASSETS		
[Unsecured and considered good, unless otherwise stated]		
Non-current assets		
Derivative financial instruments	50.28	60.74
Current assets		
Export benefits receivable	37.72	50.02
Claims receivable : indirect tax / insurance / others		
Considered good	138.99	131.74
Considered doubtful	0.02	0.02
Less : Allowance for doubtful claims receivable	0.02	0.02
	138.99	131.74
Interest accrued on loans and deposits	0.90	4.48
Derivative financial instruments	244.97	70.33
Fixed assets held for sale	0.19	0.73
Others	0.17	1.70
	422.94	259.00
	473.22	319.74
NOTE - 13 : INVENTORIES		
[At lower of cost and net realisable value]		
Raw materials	364.58	377.17
Packing materials	41.30	28.47
Work-in-progress	135.75	108.53
Finished goods	371.07	366.50
Stock-in-trade	154.47	125.39
	1,067.17	1,006.06
NOTE - 14 : TRADE RECEIVABLES		
Debts over six months from due date		
Considered good	16.12	20.68
Considered doubtful	37.32	29.16
Less : Allowance for doubtful trade receivables	37.32	29.16
	16.12	20.68
Debts less than six months from due date		
Considered good	1,578.42	1,078.74
Considered doubtful	0.51	5.94
Less : Allowance for doubtful trade receivables	0.51	5.94
	1,578.42	1,078.74
	1,594.54	1,099.42

	As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
NOTE - 15 : CASH AND CASH EQUIVALENTS		
Cash on hand	0.20	0.23
Balances with banks	202.62	198.40
Fixed deposit	362.78	569.74
Balances with banks for unclaimed dividend	1.74	0.92
Balances with banks held as margin money	-	0.11
Term deposits lodge with banks as securities	0.02	0.02
	567.36	769.42

Note: Cash and cash equivalents stated above excludes investment in mutual funds and corporate deposits disclosed under Note - 10 current investments as per requirements of AS 13 - "Accounting for Investments".

	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
NOTE - 16 : REVENUE FROM OPERATIONS		
Sales		
Sales in India	1,882.18	1,462.32
Sales outside India	2,711.04	2,581.36
	4,593.22	4,043.68
Less : Excise duties	7.88	7.38
	4,585.34	4,036.30
Operating Income		
Export benefits	39.41	52.10
Income from product registration dossiers	10.26	21.14
Patent assignment income	-	41.52
Compensation and settlement income	2.23	13.65
Other operating income	16.21	20.01
	68.11	148.42
	4,653.45	4,184.72
NOTE - 17 : OTHER INCOME		
Interest income	14.58	27.42
Net gain on sale of investments	15.97	10.55
Net foreign exchange gain	252.89	-
Other non-operating income	0.98	0.16
Profit on sale of fixed assets	1.13	-
	285.55	38.13
NOTE - 18 : COST OF MATERIALS CONSUMED		
Raw materials	833.09	743.21
Packing materials	140.42	134.81
	973.51	878.02

	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
NOTE - 19 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stocks		
Finished goods	366.50	336.85
Work-in-progress	108.53	122.89
Stock-in-trade	125.39	87.15
	600.42	546.89
Less : Closing stocks		
Finished goods	371.07	366.50
Work-in-progress	135.75	108.53
Stock-in-trade	154.47	125.39
	661.29	600.42
Net (increase) / decrease in stock	(60.87)	(53.53)
NOTE - 20 : EMPLOYEE BENEFITS EXPENSE [Other than those included in pre-operative expenses]		
Salaries, wages and bonus	684.98	633.77
Contribution to provident and other funds	98.50	66.70
Contribution for defined benefit plans	30.39	15.63
Staff welfare expenses	27.94	25.00
	841.81	741.10
NOTE - 21 : FINANCE COSTS [Other than those included in pre-operative expenses]		
Interest expense	155.90	34.24
Other borrowing cost	7.53	3.76
Net foreign exchange loss, to the extent considered as finance cost	11.73	20.63
	175.16	58.63

	Year ended 31-Mar-2015	(₹ in Crores) Year ended 31-Mar-2014
NOTE - 22 : OTHER EXPENSES		
[Other than those included in pre-operative expenses]		
Power and fuel	97.41	71.88
Stores and spares consumed	59.57	54.91
Cost of outsourced manpower	31.83	32.71
Job work charges	16.31	14.27
Laboratory goods and testing expense	60.70	41.12
Clinical research expense	14.92	17.33
Excise duties	6.54	4.00
Repairs and maintenance		
Machinery	10.41	10.06
Buildings	4.35	6.15
Others	7.32	7.36
	22.08	23.57
Selling, publicity and medical literature expense	534.11	429.49
Commission on sales	22.65	18.91
Sales and turnover taxes	17.64	13.13
Allowance for doubtful debts [net of bad debts written off ₹ 3.89 Crores (previous year ₹ 1.20 Crores)]	4.30	22.84
Travelling, conveyance and vehicle expenses	109.11	94.35
Compensation expense	57.53	60.73
Professional and legal fees	60.09	44.42
Registration expenses	30.39	32.40
Royalty Expense	0.15	2.06
Rent	35.38	37.39
Rates and taxes	3.81	1.97
Communication expenses	16.75	16.38
Printing and stationery expenses	4.55	4.41
Insurance	10.14	10.28
Net foreign exchange loss	-	84.24
Loss on sale / discard / write-off of fixed assets	-	3.78
Provision on asset held for sale	0.08	0.29
Auditors remuneration and expenses		
Audit Fees	3.69	2.94
Other Services	1.73	0.88
Out of pocket expenses	0.07	0.09
	5.49	3.91
Cost audit fees	0.05	0.06
Commission to non-executive directors	6.54	9.54
Donation	10.76	15.03
Corporate Social Responsibility expense	14.31	0.09
General charges	123.45	83.14
	1,376.64	1,248.63

NOTE - 23 : EARNINGS PER SHARE

The basic and diluted earnings per share [EPS] are :

			Year ended 31-Mar-2015	Year ended 31-Mar-2014
Net profit for the year	(a)	[₹ in Crores]	750.94	663.88
Weighted average number of equity shares	(b)	[Nos.]	169,222,720	169,222,720
EPS (basic and diluted)	(a) / (b)	[₹]	44.38	39.23
Nominal value per equity share		[₹]	5.00	5.00

			As at 31-Mar-2015	(₹ in Crores) As at 31-Mar-2014
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NOTE - 24 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining unexecuted on capital account & not provided for :

	183.08	128.28
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NOTE - 25 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of :

Claims against the Group not acknowledged as debts

Disputed demand of income tax for which appeals have been preferred	7.01	5.25
Disputed employee state insurance contribution liability under E.S.I. Act, 1948	8.24	7.30
Disputed cases for supply of goods and services	-	0.19
Disputed demand of excise and service tax	14.87	32.41
Disputed demand of local sales tax and C.S.T	0.41	0.19
Disputed cases at labour court / industrial court	3.15	3.07
	33.68	48.41

Against the above, the Company has paid ₹ 0.09 Crores (previous year ₹ 0.28 Crores). The expected outflow will be determined at the time of final outcome in respect of the concerned matter. No amount is expected to be reimbursed.

NOTE - 26 : EXCISE DUTIES

Excise duties shown as deduction from sales represents the amount of excise duty collected on sales. Excise duty expenses under the head "Other expenses", represents (i) the difference between excise duty element in closing stocks and opening stocks, and (ii) excise duty paid on samples and on inventory write-off which is not recoverable from sales.

NOTE - 27 : EMPLOYEE'S BENEFIT

The accruing liability on account of enclosed plans (retirement benefits in the nature of defined benefits plan) is accounted as per AS 15 (revised 2005) "Employee Benefits".

General Description of the Plan :

- Gratuity:** The Company operates a defined benefit plan (the gratuity plan) covering eligible employees in India, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.
- Pension:** Employees pension benefit plan in Germany is the liability which accrues and gets discharged as per the terms and condition of pension scheme called "Monsanto Pension Plan 2000". It is a defined benefit plan (the pension plan) which provides pension benefits to eligible employees post retirement.
- Retirement Benefit Plan:** The Company has a non-contributory defined benefit retirement plan, in Philippines, covering all of its regular employees. The benefits are based on respective employees salary and the tenure of employment.

- (iv) **Retirement Benefit and Seniority Premium Plan:** The retirement benefit and seniority premium plan in Mexico is the liability which accrues and gets discharged as per the terms and conditions of Mexican federal labor laws. It is a defined benefit plan which provides benefits to eligible employees post retirement / termination.

(₹ in Crores)

Particulars	Year ended 31-Mar-2015				Year ended 31-Mar-2014			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :								
Obligations at the beginning of the year	55.60	68.08	1.24	0.94	48.47	50.63	0.93	0.72
Current service cost	6.80	0.40	0.32	0.12	6.63	0.58	0.31	0.34
Interest cost	5.16	1.97	0.07	0.07	3.88	2.46	0.05	0.05
Actuarial (gain) / loss	13.80	13.10	0.34	0.04	0.17	6.26	(0.04)	0.13
Liabilities transferred in	4.66	-	-	-	-	-	-	-
Benefits paid directly by the employer	(0.07)	(1.08)	-	-	(0.26)	(1.28)	-	(0.32)
Benefits paid from the fund	(6.73)	-	-	-	(3.29)	-	-	-
Past service cost	-	-	-	0.01	-	-	-	0.01
Translation forex	-	(13.17)	0.07	(0.13)	-	9.43	(0.01)	0.01
Obligations at the end of the year	79.22	69.30	2.04	1.05	55.60	68.08	1.24	0.94
(b) Reconciliation of opening and closing balances of the fair value of plan assets :								
Plan assets at the beginning of the year	53.73	-	-	-	41.03	-	-	-
Expected return on plan assets	5.77	-	-	-	4.41	-	-	-
Actuarial gain/ (loss)	5.39	-	-	-	0.58	-	-	-
Contributions	12.00	-	-	-	11.00	-	-	-
Assets transferred in	4.49	-	-	-	-	-	-	-
Benefits paid	(6.73)	-	-	-	(3.29)	-	-	-
Plan assets at the end of the year	74.65	-	-	-	53.73	-	-	-
Actual return on plan assets	11.16	-	-	-	4.99	-	-	-
(c) Defined benefit cost for the year :								
Current service cost	6.80	0.40	0.32	0.12	6.63	0.58	0.31	0.34
Interest cost	5.16	1.97	0.07	0.07	3.88	2.46	0.05	0.05
Expected return on plan assets	(5.77)	-	-	-	(4.41)	-	-	-
Net Actuarial (gain) / loss	8.41	13.10	0.34	0.04	(0.41)	6.26	(0.04)	0.13
Past service cost	-	-	-	0.01	-	-	-	0.01
Net defined benefit cost	14.60	15.47	0.73	0.24	5.69	9.30	0.32	0.53
(d) (i) Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :								
Obligations at the end of the year	79.22	69.30	2.04	1.05	55.60	68.08	1.24	0.94
Plan assets at the end of the year, at fair value	74.65	-	-	-	53.73	-	-	-
(Asset) / Liability recognised in balance sheet	4.57	69.30	2.04	1.05	1.87	68.08	1.24	0.94
(ii) Experience adjustments gain / (loss)								
Plan liabilities	(7.24)	0.37	0.08	-	(4.79)	1.22	(0.15)	-
Plan assets	5.39	-	-	-	0.58	-	-	-
(e) Expected contribution for the next year	14.20	-	-	-	12.00	-	-	-

(f) Data for defined benefit obligation and fair value of plan assets are as under :

(₹ in Crores)

Particulars	Gratuity Plan				
	2010-11	2011-12	2012-13	2013-14	2014-15
Present value of defined benefit obligations at the end of the year	32.27	37.62	48.47	55.60	79.22
Plan assets at the end of the year	32.16	34.79	41.03	53.73	74.65
Net (assets) / liability at the end of year	0.11	2.83	7.44	1.87	4.57

Particulars	Pension Plan				
	2010-11	2011-12	2012-13	2013-14	2014-15
Present value of defined benefit obligations at the end of the year	34.70	43.86	50.63	68.08	69.30
Plan assets at the end of the year	-	-	-	-	-
Net (assets) / liability at the end of year	34.70	43.86	50.63	68.08	69.30

Particulars	Year ended 31-Mar-2015				Year ended 31-Mar-2014			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(g) Assumptions								
Discount rate	7.98%	1.85%	4.50%	7.25%	9.29%	3.40%	5.75%	8.25%
Expected rate of return on plan assets	11.79%	-	-	-	10.74%	-	-	-
Salary escalation rate	10.00%	2.50%	6.00%	4.50%	10.00%	3.00%	6.00%	4.50%

Expected long-term productivity gains & long term risk-free real rate of interest have been used as guiding factors to determine long-term salary growth

Future mortality rates (for gratuity plan) are obtained from relevant table of Indian Assured Lives Mortality (2006-08) Ultimate.

(h) Investment details of plan assets (Gratuity Plan) :

The plan assets, with respect to gratuity plan, are managed by Insurance Company viz Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited who has invested the funds substantially as under :

	As at 31-Mar-2015	As at 31-Mar-2014
Equity Instruments	19.57%	22.26%
Corporate Bonds	30.88%	46.78%
Government Securities	39.63%	14.91%
Fixed Deposits with Banks	5.20%	16.05%
Other Current Assets & Equity	4.73%	0.00%

NOTE - 28 : PROVISIONS**(a) Provision for sales returns**

The Group as a trade practice accepts returns from market for formulations which are primarily in the nature of expired or near expiry products. Provision for such returns estimated on the basis of historical experience, market conditions and specific contractual terms, if any and are provided for. Details of the provision is as under :

	(₹ in Crores)	
	As at 31-Mar-2015	As at 31-Mar-2014
Opening provision	100.73	81.80
Add: Additional provision	110.32	77.45
Less: Actual returns during the year	(81.77)	(60.57)
Add: Exchange fluctuation	(0.23)	2.05
Closing provision	129.05	100.73

(b) Provision for expenses

Provision for expenses includes estimated amount of liability pertaining to administrative and judicial proceedings disputed with past employees pending at various labour courts in Brazil. Details of the provision are as under :

Opening provision	35.35	3.95
Add: Additional provision / (reversal)	(4.45)	31.46
Add: Exchange fluctuation	(9.38)	(0.06)
Closing provision	21.51	35.35

NOTE - 29 : FOREIGN EXCHANGE LOSS / (GAIN)

	(₹ in Crores)	
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Net Foreign exchange loss / (gain), included in other expenses (Note - 22) / other income (Note - 17) :	(252.89)	84.24
Add: Net foreign exchange loss on foreign currency borrowings to the extent regarded as an adjustment to interest cost included in finance cost [Note - 21] :	11.73	20.63
Less: MTM on forward exchange contracts to hedge the foreign currency risk of highly probable forecast transactions accounted as per AS 30 :	(120.97)	48.80
Total foreign exchange loss / (gain) as per AS 11	(120.19)	56.07

NOTE - 30 : OPERATING LEASE

The Group leases office spaces on non-cancellable operating lease at various subsidiaries location. The total future minimum lease payments under this non-cancellable lease are as below:

Not later than 1 Year	2.81	2.06
Later than 1 Year and not later than 5 Years	9.34	4.42
Total	12.15	6.48

Lease rentals on the above lease amounting to ₹ 2.78 crores (previous year ₹ 2.70 crores) are charged to statement of profit and loss.

NOTE - 31 : SEGMENT INFORMATION

The primary and secondary reportable segments considered are Business Segments and Geographical Segments respectively.

The group operates in a solitary business segment i.e. pharmaceuticals, comprising mainly manufacture of branded formulations. A further breakdown of pharmaceuticals sales is given.

Geographical Segments have been identified based on location of customers and management structure. Accordingly, geographical segments are divided into two segments namely, (a) India (b) outside India. Sales are made in these geographical areas with production based in India. The reportable Geographical Segments and Segment revenue (external net sales) for the year is as under:

		(₹ in Crores)
	Year ended 31-Mar-2015	Year ended 31-Mar-2014
(a) India	1,874.30	1,454.94
(b) Outside India	2,711.04	2,581.36
Total	4,585.34	4,036.30

Segment assets are not directly identifiable / properly allocable against each of the above reportable segments. Fixed assets, forming a substantial portion of the total assets of the Group, are interchangeably used between all the segments and cannot be identified against a specific segment. Significant portion of current assets are interchangeable between all the segments and not identifiable against any individual segment. Hence no meaningful disclosure of segment assets is possible.

NOTE - 32 : ACQUISITION OF IDENTIFIED BRANDED FORMULATION BUSINESS

The Company on 29-Jun-2014 acquired the branded domestic formulations business in India and Nepal of Elder Pharmaceuticals Limited via slump sale, for a consideration of ₹ 1960 Crores.

NOTE - 33 : REGROUPING

Previous year figures have been regrouped / recast, wherever necessary, so as to make them comparable with those of the current year.

Note - 34 : RELATED PARTIES AND TRANSACTIONS

(a) The disclosures pertaining to related parties and transactions therewith are set out in the table below :

(₹ in Crores)

Particulars	Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Joint Venture/ Associate		Key Management Personnel		Enterprises Controlled by Key Management Personnel/ Relatives of Key Management Personnel		Total	
(A) Nature of Transactions	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sale of finished goods	-	-	0.25	0.28	-	-	-	-	-	-	0.25	0.28
Torrent Power Limited	-	-	0.25	0.28	-	-	-	-	-	-	0.25	0.28
Purchase of material, consumables etc	-	-	0.01	0.03	-	-	-	-	-	-	0.01	0.03
Torrent Cables Limited	-	-	0.01	0.03	-	-	-	-	-	-	0.01	0.03
Remuneration to key management personnel	-	-	-	-	-	-	24.27	20.68	-	-	24.27	20.68
Samir Mehta, Executive Chairman*	-	-	-	-	-	-	10.02	7.51	-	-	10.02	7.51
Sudhir Mehta, Chairman Emeritus	-	-	-	-	-	-	5.33	7.50	-	-	5.33	7.50
Dr. Chaitanya Dutt, Director (Research & Development)*	-	-	-	-	-	-	4.77	2.73	-	-	4.77	2.73
Ashok Modi, Executive Director & Chief Financial Officer	-	-	-	-	-	-	3.41	2.42	-	-	3.41	2.42
Mahesh Agrawal, VP (Legal) & Company Secretary	-	-	-	-	-	-	0.74	0.52	-	-	0.74	0.52
Contribution to Gratuity / Superannuation funds	18.07	16.02	-	-	-	-	-	-	-	-	18.07	16.02
TPL Employees Group Gratuity Trust	12.00	11.00	-	-	-	-	-	-	-	-	12.00	11.00
TPL Employees Superannuation Trust	6.07	5.02	-	-	-	-	-	-	-	-	6.07	5.02
Lease rent paid	-	-	0.17	0.02	-	-	-	-	-	-	0.17	0.02
Torrent Private Limited	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Torrent Power Limited	-	-	0.15	-	-	-	-	-	-	-	0.15	-
Services received	-	-	12.92	10.15	-	-	-	-	17.12	14.07	30.05	24.22
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	17.12	14.07	17.12	14.07
Torrent Energy Limited	-	-	7.10	5.28	-	-	-	-	-	-	7.10	5.28
Torrent Power Limited	-	-	5.82	4.87	-	-	-	-	-	-	5.82	4.87
Commission & interest paid to carrying & forwarding agents	-	-	-	-	-	-	-	-	1.70	1.31	1.70	1.31
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	1.70	1.31	1.70	1.31
Donation	-	-	-	-	-	-	-	-	2.00	8.00	2.00	8.00
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	2.00	8.00	2.00	8.00
CSR Expenses	-	-	-	-	5.00	-	-	-	6.65	0.80	11.65	0.80
Memadpur Kelavani Mandal	-	-	-	-	-	-	-	-	-	0.80	-	0.80
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	1.00	-	1.00	-
Tornascent Care Institute	-	-	-	-	5.00	-	-	-	-	-	5.00	-
Shri Vadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	-	5.65	-	5.65	-
Interest income	-	-	0.05	0.07	-	-	-	-	-	-	0.05	0.07
Torrent Power Limited	-	-	0.05	0.07	-	-	-	-	-	-	0.05	0.07

(₹ in Crores)

Particulars	Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Joint Venture/ Associate		Key Management Personnel		Enterprises Controlled by Key Management Personnel/ Relatives of Key Management Personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(A) Nature of Transactions												
Expenses reimbursement	-	-	0.04	0.01	-	-	-	-	0.29	0.24	0.33	0.25
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	0.29	0.24	0.29	0.24
Torrent Power Limited	-	-	0.04	0.01	-	-	-	-	-	-	0.04	0.01
Purchase of fixed assets	-	-	0.60	5.94	-	-	-	-	-	-	0.60	5.94
Torrent Cables Limited	-	-	0.60	5.94	-	-	-	-	-	-	0.60	5.94
Capital Contribution	-	-	-	-	0.03	-	-	-	-	-	0.03	-
Tornascent Care Institute	-	-	-	-	0.03	-	-	-	-	-	0.03	-
Deposits given	-	-	-	0.44	-	-	-	-	-	-	-	0.44
Torrent Energy Limited	-	-	-	0.43	-	-	-	-	-	-	-	0.43
Torrent Power Limited	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Recovery of expenses	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
(B) Balances at the end of the year	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Trade receivables	-	-	0.10	0.08	-	-	-	-	-	-	0.10	0.08
Torrent Power Limited	-	-	0.10	0.08	-	-	-	-	-	-	0.10	0.08
Advances recoverable in cash or kind	0.22	0.22	1.45	1.48	-	-	-	-	0.02	0.14	1.68	1.83
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	0.02	0.14	0.02	0.14
Torrent Energy Limited	-	-	1.39	1.39	-	-	-	-	-	-	1.39	1.39
TPL Employees group gratuity Trust	0.22	0.22	-	-	-	-	-	-	-	-	0.22	0.22
Torrent Power Limited	-	-	0.06	0.09	-	-	-	-	-	-	0.06	0.09
Trade & services payables	-	-	0.82	0.86	-	-	-	-	0.77	0.76	1.60	1.63
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	0.14	0.10	0.14	0.10
Torrent Power Limited	-	-	0.44	0.37	-	-	-	-	-	-	0.44	0.37
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	0.63	0.66	0.63	0.66
Torrent Private Limited	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Torrent Energy Limited	-	-	0.08	-	-	-	-	-	-	-	0.08	-
Torrent Cables Limited	-	-	0.29	0.48	-	-	-	-	-	-	0.29	0.48
Other payables	-	-	-	-	-	-	16.23	16.69	-	-	16.23	16.69
Samir Mehta, Executive Chairman	-	-	-	-	-	-	11.73	9.19	-	-	11.73	9.19
Sudhir Mehta, Chairman Emeritus	-	-	-	-	-	-	4.50	7.50	-	-	4.50	7.50

* amount excluding premium for group personal accident and group mediclaim

(b) Names of related parties and description of relationship :

1.	Enterprises controlled by the Company	TPL Employee Group Gratuity Trust, TPL Employee Superannuation Trust				
2.	Holding Company / Enterprises controlled by the Holding Company	Torrent Private Limited, Torrent Financiers, Torrent Power Limited, Torrent Cables Limited, Torrent Power Services Pvt. Limited, Torrent Pipavav Generation Limited, Torrent Energy Limited, Torrent Power Grid Limited, Torrent Solargen Limited, AEC Cements and Constructions Limited				
3.	Joint Venture/ Associate	Tornascent Care Institute				
4.	Key management personnel	Shri Sudhir Mehta Chairman Emeritus	Shri Samir Mehta Executive Chairman	Dr. Chaitanya Dutt Director (Research & Development)	Shri Ashok Modi Executive Director & Chief Financial Officer	Shri Mahesh Agrawal VP (Legal) & Company Secretary
5.	Relatives of key management personnel	Smt. Anita Mehta, Wife	Smt. Sapna Mehta, Wife	Smt. Shobha Dutt, Wife	Smt. Neelam Modi, Wife	Smt. Saroj Agrawal, Wife
		Smt. Shardaben Mehta, Mother	Smt. Shardaben Mehta, Mother	Shri Umang Dutt, Son	Smt. Gayatriben Modi, Mother	Shri Dwarkaprasad Agrawal, Father
		Shri Varun Mehta, Son	Shri Aman Mehta, Son	Shri Uttang Dutt, Son	Shri Varun Modi, Son	Smt. Vidhya Devi Agrawal, Mother
		Shri Jinal Mehta, Son	Shri Shaan Mehta, Son		Ms. Surabhi Modi, Daughter	Shri Krishan Agrawal, Son
		Shri Samir Mehta, Brother	Shri Sudhir Mehta, Brother		Ms. Rashmi Modi, Daughter	Shri Abhishek Agrawal, Son
		Smt. Meena Modi, Sister	Smt. Meena Modi, Sister		Shri Mahendra Modi, Brother	Shri Arun Agrawal, Brother
		Smt. Nayna Shah, Sister	Smt. Nayna Shah, Sister		Shri Surendra Modi, Brother	Smt. Kanta Agrawal, Sister
					Smt. Kusum Safaria, Sister	
6.	Enterprises controlled by key management personnel /relatives of key management personnel	U N Mehta Charitable Trust, D N Modi Charitable Trust, Shardaben Mehta Charitable Trust, Tsunami Tours & Travels Pvt. Ltd., Torrel Cosmetics Pvt. Ltd., Zeal Pharmachem India Pvt. Ltd., Diamond Infrastructure Pvt. Ltd., U. N. Mehta Institute of Cardiology & Research Centre, Dushyant Shah Charitable Trust, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal				

Note - 35 : (a) Statement containing salient features of the financial statement of subsidiaries / joint ventures pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

Part “A”: Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary / Partnership Firm	Reporting currency	Exchange Rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation
1	Zao Torrent Pharma	Rouble	1.0706	0.25	19.79	28.27	8.23	-	38.73	1.37	-	1.37
2	Torrent Do Brasil Ltda.	Reais	19.5108	37.35	(35.18)	327.31	325.14	-	472.11	(42.31)	(13.58)	(28.73)
3	Torrent Pharma GmbH	Euro	67.5104	0.17	26.77	60.06	33.12	39.56	4.75	0.12	11.11	(10.99)
4	Torrent Pharma Inc.	USD	62.5908	7.51	40.18	799.82	752.13	-	826.19	20.16	7.04	13.12
5	Torrent Pharma Philippines, Inc.	Pesos	1.3972	5.39	(6.91)	54.45	55.97	-	77.60	16.15	0.28	15.87
6	Laboratorios Torrent, S.A. De C.V.	Mxn\$	4.1063	30.69	(13.03)	25.55	7.89	-	35.34	0.84	-	0.84
7	Torrent Australasia Pty Ltd	Au\$	47.7818	0.41	(0.23)	0.20	0.02	-	-	0.01	-	0.01
8	Torrent Pharma Canada Inc.	CAD	49.4164	1.65	(1.17)	0.51	0.03	-	-	0.01	-	0.01
9	Torrent Pharma (Thailand) Co., Ltd.	THB	1.9232	1.81	(0.92)	0.94	0.05	-	-	(0.23)	-	(0.23)
10	Torrent Pharma S.R.L.	RON	15.3092	6.35	(15.82)	167.41	176.88	-	36.67	(3.20)	-	(3.20)
11	Torrent Pharma (UK) Ltd	GBP	92.4591	2.08	0.83	75.73	72.82	8.61	34.93	(2.93)	(0.69)	(2.24)
12	Laboratories Torrent (Malaysia) SDN.BHD.	MYR	16.8936	0.84	(0.16)	12.42	11.74	-	24.26	(0.59)	(0.08)	(0.51)
13	Torrent Pharma France S.A.S.	Euro	67.5104	-	(1.01)	18.00	19.01	-	-	(1.48)	(0.39)	(1.09)
14	Heumann Pharma GmbH & Co. Generica KG	Euro	67.5104	0.07	39.51	695.31	655.73	-	396.94	58.47	6.79	51.68
15	Heunet Pharma GmbH	Euro	67.5104	0.17	(0.78)	326.19	326.80	-	114.97	4.80	2.13	2.67
16	Norispharm GmbH	Euro	67.5104	0.17	(1.68)	4.39	5.90	-	-	(0.05)	-	(0.05)
17	Aptil Pharma Ltd.	GBP	92.4591	-	(7.68)	39.21	46.89	-	-	(1.91)	-	(1.91)
18	Torrent Pharma (Sikkim)	INR	1.0000	14.43	-	14.43	-	-	-	1.22	0.25	0.97

Note : i. Proposed dividend is Nil in each subsidiary

ii. % of shareholding in all subsidiaries either directly or through its subsidiaries is 100% , except in case of Torrent Pharma (Sikkim), where the % shareholding is 97 %.

iii. Torrent Pharma France S.A.S., Aptil Pharma Ltd., Torrent Pharma Canada Inc., Torrent Australasia Pty Ltd & Torrent Pharma (Thailand) Co., Ltd. are yet to commence their operations.

Part “B”: Joint Ventures

(₹ in Crores)

Sr. No.	Name of Joint Venture	Latest Audited Balance Sheet Date	Shares of Joint venture held by the company			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No. of shares	Amount of investment	Extend of Holding %				Considered in Consolidation	Not considered in Consolidation
1	Tornascent Care Institute	-	25,000	0.03	50%	-	Refer Note 1	-	-	-

(b) In accordance with section 136 of the Companies Act, 2013, the annual audited accounts of each of the subsidiaries shall be made available to the shareholders of the Company seeking such information at any point in time. Further, in accordance with the aforementioned section, the audited financial statements, including the consolidated financial statement and related information of the Company and audited accounts of each of its subsidiaries, are available on our website : www.torrentpharma.com. These documents will also be available for inspection at our registered office during normal business hours (9.30 AM to 6.30 PM) on working days, except Saturday upto and including the date of Annual General Meeting of the Company.

(c) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores
Parent				
Torrent Pharmaceuticals Limited (Net of Consolidation Adjustments)	66.81%	1,664.12	102.41%	769.01
Subsidiaries / Partnership Firm				
Indian				
Torrent Pharmaceuticals (Sikkim) (Partnership Firm)	0.56%	13.99	0.13%	0.97
Foreign				
Zao Torrent Pharma	1.00%	25.02	(0.48%)	(3.60)
Torrent Do Brasil Ltda.	12.05%	300.15	(6.96%)	(52.25)
Torrent Pharma GmbH	(0.10%)	(2.37)	(1.74%)	(13.07)
Torrent Pharma Inc.	19.11%	476.14	2.24%	16.79
Torrent Pharma Philippines Inc	1.56%	38.84	2.09%	15.69
Laboratorios Torrent , S.A. De C.V.	0.74%	18.34	0.11%	0.84
Torrent Australasia Pty Limited	0.01%	0.15	0.00%	0.00
Torrent Pharma Canada Inc.	0.02%	0.39	0.00%	0.01
Torrent Pharma S.R.L.	3.14%	78.16	(0.39%)	(2.93)
Torrent Pharma (UK) Ltd.	0.85%	21.11	(0.38%)	(2.85)
Torrent Pharma (Thailand) Co.Ltd.	0.04%	0.88	(0.03%)	(0.23)
Laboratories Torrent (Malaysia) SDN BHD	0.35%	8.69	(0.08%)	(0.58)
Torrent Pharma France S.A.S.	0.55%	13.66	(0.17%)	(1.31)
Heumann Pharma GmbH & Co. Generica KG	(7.61%)	(189.58)	3.48%	26.16
Heunet Pharma GmbH	(1.10%)	(27.34)	0.06%	0.44
Norispharm GmbH	0.05%	1.25	(0.02%)	(0.16)
Aptil Pharma Limited	1.97%	48.96	(0.27%)	(2.04)
Minority Interests in all subsidiaries	0.02%	0.43	0.00%	0.03
Total	100.00%	2,490.99	100.00%	750.94

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner
Ahmedabad
15th May, 2015

Signatures to the notes forming part of Consolidated Financial Statement 1 to 35

Samir Mehta
Executive Chairman

Ashok Modi
Executive Director
& Chief Financial Officer

Mahesh Agrawal
VP (Legal) & Company Secretary
Ahmedabad
15th May, 2015

FIVE YEAR FINANCIAL HIGHLIGHTS

CONSOLIDATED

₹ in crores

	2014-15	2013-14	2012-13	2011-12	2010-11
SALES, PROFIT & DIVIDEND					
Revenue	4,653	4,185	3,211	2,696	2,226
EBDITA	1,291	962	702	512	417
EBIT	1,100	875	619	431	355
Profit before Exceptional Items and Tax (PBT)	940	844	619	424	342
Profit after Tax and Minority Interest (PAT)	751	664	433	284	270
Dividend (Amount)	190	169	195	72	68
Total Dividend Per share (₹)	11.25	10.00	23.00	8.50	8.00
Special Dividend Per Share (₹)	-	-	10.00	-	-
Normal Dividend Per Share (₹)	11.25	10.00	13.00	8.50	8.00
Normal Dividend Per share (₹) - Adjusted for Bonus	11.25	10.00	6.50	4.25	4.00

FINANCIAL POSITION					
Equity Share Capital	85	85	42	42	42
Reserves and Surplus	2,406	1,818	1,380	1,152	980
Long Term Borrowings	2,185	744	455	322	293
Capital Employed	4,676	2,647	1,876	1,516	1,315
Gross Block	4,205	1,954	1,581	1,318	1,145
Net Block	3,495	1,409	1,105	916	817
Investments	0	0	0	38	20
Net Current Assets	1,228	1,230	951	595	644

RETURN					
On Sales (PBT)%	20%	20%	19%	16%	15%
On Capital Employed (EBIT)%	24%	33%	33%	28%	27%
On Shareholders' Fund (PAT)%	30%	35%	30%	24%	26%
Earning Per share (₹)	44.38	39.23	51.15	33.57	31.93
Earning Per share (₹) - Adjusted for Bonus	44.38	39.23	25.58	16.79	15.97



TORRENT PHARMACEUTICALS LIMITED

(CIN: L24230GJ1972PLC002126)

Registered Office: Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India

Phone: + 91 79 26585090 / 26583060 Fax: + 91 79 26582100

Website: www.torrentpharma.com Email Id: investorservices@torrentpharma.com

PROXY FORM

Name of the member(s): _____

Registered address: _____

Email Id: _____

Folio No.: _____

DP Id / Client Id: _____

I / We, being the member(s) of shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

Email Id: _____ Signature: _____, or failing him

2. Name: _____

Address: _____

Email Id: _____ Signature: _____, or failing him

3. Name: _____

Address: _____

Email Id: _____ Signature: _____,

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 42nd Annual General Meeting of the Company, to be held on Monday, 27th day of July, 2015 at 09:30 a.m. at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	OPTIONAL ³	
		For	Against
1.	To receive, consider and adopt the Standalone and Consolidated Financial Statements as at 31 st March, 2015 including the Audited Balance Sheet as at 31 st March, 2015, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon		
2.	To confirm the payment of interim dividend on equity shares for the financial year ended 31 st March, 2015 and to declare final dividend on equity shares for the said financial year		
3.	Appoint a Director in place of Shri Markand Bhatt (holding DIN 00061955), Director, who retires by rotation, and being eligible, offers himself for re-appointment		
4.	Appoint Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration		

Resolution No.	RESOLUTIONS	OPTIONAL ³	
Special Business			
5.	Ratification of remuneration of Cost Auditors of the Company for the year 2015-16		
6.	Re-appointment of Dr. Chaitanya Dutt as Director (Research & Development) and fixation of Remuneration		
7.	Appointment of Smt. Renu Challu as an Independent Director		
8.	Remuneration to Non-Executive Directors		
9.	Adoption of new set of Articles of Association		

Signed this..... day of..... 20.....

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 42nd Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



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Website: www.torrentpharma.com Email Id: investorservices@torrentpharma.com

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

DP ID**
CLIENT ID

REGD. FOLIO NO.
NO. OF SHARES HELD

Full name of the member attending _____

Full name of the first joint-holder _____

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 42ND ANNUAL GENERAL MEETING being held at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, Gujarat, India on Monday, the 27th July, 2015 at 09:30 a.m.

Member's / Proxy's Signature
(To be signed at the time of handing over of this slip)

** Applicable to the members whose shares are held in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

Notes

[illegible]

[illegible]



TORRENT PHARMACEUTICALS LIMITED

CIN: L24230GJ1972PLC002126

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