Celebrating Legacy, Shaping Tomorrow

Torrent Pharmaceuticals Limited
Integrated Annual Report 2023-24

Contents

About Torrent Pharma

Scrip Codes

BSE: 500420
NSE: TORNTPHARM

₹880 billion
Market Capitalisation
(as at 31st March, 2024)

Torrent Pharmaceuticals Limited ('Torrent Pharma' or 'the Company' or 'Torrent') is the flagship company of Torrent Group. The Company pioneered the concept of niche marketing in India and is among the leading names in the therapeutic segments of Cardiovascular (CV), Central Nervous System (CNS), Vitamin Mineral Nutrients (VMN) and Gastro-Intestinal (GI). The Company also has a noticeable presence in the dermatology, diabetology, pain management, oncology, and gynaecology segments. Besides a significant presence in India across therapeutic segments, the Company has a global presence across 40+ countries, serviced through its 8 manufacturing units across India.

Celebrating Legacy, Shaping Tomorrow

Our roots delve deep into a legacy crafted by our visionary founder Shri U.N. Mehta, who envisioned a world-class organization dedicated to serving the nation by providing quality products at affordable prices.
As we reflect on our past, we are filled with a sense of joy for the contribution Torrent Group has made to nation-building across multiple sectors. As we celebrate this legacy, we reaffirm our commitment to uphold the values and vision that form the cornerstone of the Torrent Group.

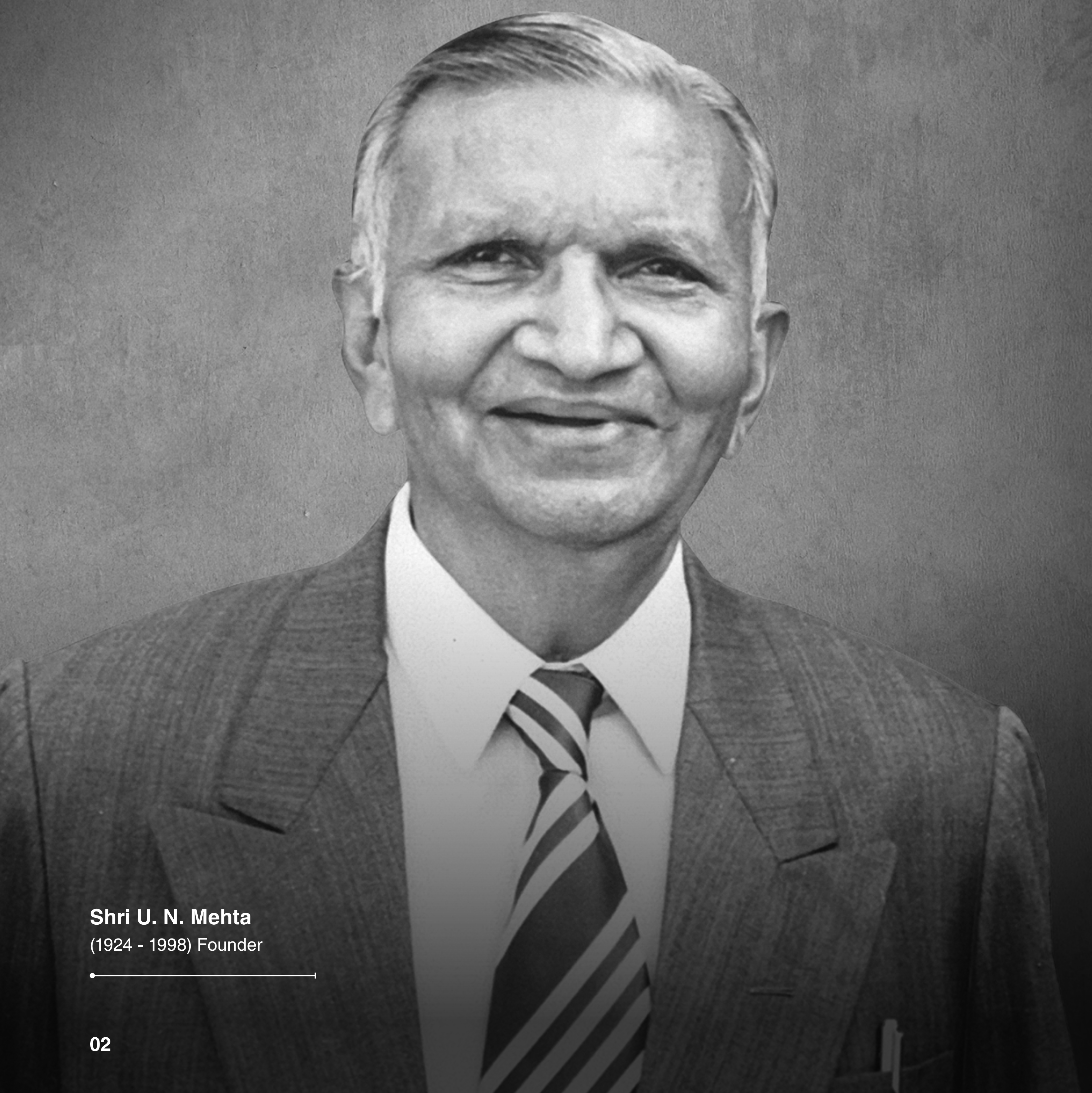
Torrent Pharma has emerged as one of the leading pharmaceutical companies in India. Our journey, marked by significant milestones and achievements that has been a testament to our commitment to provide medicines of highest standards. We look forward to shaping the future with the same spirit of dedication.

In this pursuit, we embrace our responsibilities towards our investors, the environment and the communities we serve. Our commitment to sustainability is not merely a promise; it is a strategic investment in the future. Our business model not only addresses current needs but also ensures future prosperity. We had taken various measures to minimise environmental impact, empower communities with focused CSR initiatives, foster a safe, inclusive work environment and addressing various stakeholder needs for lasting positive impacts. Our business strategy ensures constant value creation for our shareholders and investors, and through focused community partnerships, we promote inclusive growth.

Our proud legacy shapes a healthier tomorrow – a future characterized by commitment, innovation and sustainability. At Torrent Pharma, we are dedicated to driving positive change and creating enduring values that stands the test of time.

Tribute to Shri U. N. Mehta

Indomitable Spirit for Entrepreneurship



Shri U. N. Mehta
(1924 - 1998) Founder

2024 marks the Birth Centenary year of our visionary Founder Late Shri U. N. Mehta.

Born in Memadpur, a small town in North Gujarat, his early life was marked with several personal challenges. His birth centenary year is an occasion of significance for us to look back at how he overcame great difficulties with strong personal resolve and what we can learn from his life principles.

Early Life

Shri U. N. Mehta's parents had faced dire financial conditions, and he lost his mother at the age of 2. He then had to weather many health challenges, the first of which was a diagnosis of mental health issues at the age of 39 due to severe side effects from a medicine that was prescribed to him. The diagnosis forced him to quit his job and stable life of a sales rep at a renowned multinational, where he passionately worked for over 13 years, and his wife Shardaben and family of four young children (Meena, Nayana, Sudhir and Samir) struggled to make ends meet for nearly a decade thereafter. Several attempts to start his pharmaceutical venture during this period were followed by failure due to ill health.

Yet, through these adversities, Shri U. N. Mehta never lost hope. One last attempt at a new business was made at age 48, when he finally overcame his struggles with the disease, and that venture eventually became Torrent Pharmaceuticals. In view of his own tryst with psychiatric and subsequent cardiac health issues, his initial efforts were focused on making medicines for psychiatric and cardiac ailments, for which medicines were not easily available in India at the time. At the core of his business model was affordability and accessibility, borne out of his struggles of not being able to afford medicines for chronic diseases. His remarkable life story serves as a beacon of hope for all those who face their struggles and as a reminder that every challenge can be overcome with an indomitable will.

> "It is pardonable to aim high and miss, but it is not pardonable to aim low".

The Entrepreneur

Late Shri U. N. Mehta played a pivotal role in the growth of the Indian pharmaceutical industry. He excelled at sensing the pulse of the pharmaceutical market, pioneering the concept of niche marketing at a time when others focused on medicines for common ailments such as antibiotics. The market for chronic diseases was minuscule compared to that of acute diseases at that time in the early 70s, yet he foresaw an opportunity for the future as a first mover.

He was also revered as an empathetic leader, fair to all, and transparent in business. His unwavering integrity, participative decision-making and concern for his people became the seal of his commitment while conducting business. These qualities are now the guiding principles - Core Values – for the Torrent Group.

The Philanthropist

Shri U. N. Mehta is also remembered as a committed social citizen. "Think of others also, when you think of yourself", he used to warmly tell his employees. This also became the ethos of the Torrent Group, which led to establishment of a not-for-profit organisation, the UNM Foundation. The UNM Foundation carries out many initiatives across the areas of Healthcare, Education, Ecology, Arts, Culture and Social well-being.

Honouring his Legacy

To honour the enduring legacy of Late Shri U. N. Mehta, the Mehta family has pledged to donate a sum of ₹5,000 Crore over the next 5 years to the UNM Foundation. This philanthropic donation will be in addition to the statutory CSR contributions of the Torrent Group companies.

With this corpus, the UNM Foundation will multiply its efforts across all its areas and other activities that may serve the basic premise of benefitting the underprivileged.

Aerial View of Centenary Birthday Celebration

About the Report

Torrent Pharma is pleased to present its fourth Integrated Annual Report for the financial year ending 31st March, 2024. This report offers comprehensive insights into the Company's strategy, business model, performance, and outlook to stakeholders across significant topics spanning financial, economic, social, and governance matters.

Framework and Standards

This report is guided by the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC). This report is aligned with the standards of Global Reporting Initiatives (GRI) and the United Nations Sustainable Development Goals (UN SDGs).

This report has been prepared as per the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, Securities and Exchange Board of India Act, 1992 (and the regulations issued thereunder), Secretarial Standards issued by the Institute of Company Secretaries of India, and National Guidelines on Responsible Business Conduct (NGRBC).

Assurance Statement

The Integrated Annual Report has been assured by Grant Thornton Bharat LLP, validating its alignment with recognised standards and reliability for stakeholders. Refer the assurance statement on page 375 for further details.

Responsibility Statement

The Board has taken careful consideration to ensure the accuracy and completeness of the content of this Integrated Annual Report. In preparing this report, the respective functions and business units have worked diligently. The Board acknowledges their efforts in providing accurate and relevant information to create a reliable representation of the Company's performance.

Reporting Period

This report covers financial and non-financial information pertaining to the period 1st April, 2023 to 31st March, 2024, and disclosures regarding global operations of the Company.

Feedback and Contact Details

The Company is open to hearing your feedback, concerns, and suggestions on this Integrated Annual Report to enrich future reporting initiatives. The Company thanks its readers for their valuable time and interest.

Write to us at: investorservices@torrentpharma.com

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Stakeholders Impacted

- Patients
- Government and Regulators
- Channel Partners
- Communities
- Healthcare Professionals
- Industry Association
- Suppliers
- Investors and Shareholders
- Employees

Report Navigation

The report illustrates Torrent Pharma's integrated approach to value creation, depicting how each capital contributes to addressing material issues and advancing strategic themes.

Introducing Our Capitals

The capitals include the key inputs and relationships the Company requires to carry out its business.

Financial Capital

The financial resources and assets that the Company utilises to fund its operations, investments, and growth initiatives.

Read more

Manufactured Capital

The physical assets and infrastructure owned and operated by Torrent Pharma, including manufacturing facilities, equipment, and technology.

Read more

Intellectual Capital

The intangible assets and intellectual property owned by Torrent Pharma, include patents, trademarks, know-how, and proprietary technology.

Read more

Human Capital

The knowledge, skills, experience, and expertise of Torrent Pharma's workforce drives innovation, productivity, and business performance.

Read more

Social and Relationship Capital

The relationships that Torrent Pharma maintains with its stakeholders, including patients, healthcare professionals, channel partners, and communities.

Read more

Natural Capital

The natural resources and ecosystems that the Company relies on, including, water, air, biodiversity, and renewable energy sources.

Read more

Material Issues

The report contains information on the material topics of concern for the stakeholders that could have a significant influence on the Company's ability to create and sustain value over the short, medium and long-term.

- M1 Product Quality and Safety
- M2 Innovation: Strengthening R&D Pipeline
- M3 Water and Wastewater Management
- M4 Energy Efficiency and Renewable Energy
- M5 Employee Engagement, Safety and Well-being
- M6 Equality
- M7 Ethics and Business Integrity
- M8 Adherence to Laws

Read more

Strategic Themes

With a strong focus on sustainability, responsible business practices and value creation for stakeholders, Torrent Pharma has six strategic themes, aligning with its short, medium and long-term goals.

- ST1 Improve Market Share in Core Markets
- ST2 Invest in Tomorrow's Growth Engines
- ST3 Operational Excellence
- ST4 Engaged and Empowered Stakeholders
- ST5 Deploy Digital Technologies
- ST6 Responsible Actions

ST denotes Strategic Theme

Read more

UN SDGs Aligned*

*For reference purpose only

Performance Highlights for 2023-24

Economic

₹10,728 crores
Revenue
12%

₹3,368 crores
Operating EBITDA
19%

₹1,656 crores
PAT
33%

28%
ROCE

₹48.94
EPS

₹28
DPS

YoY

Environment

24.3%
Reduction in non-renewable energy consumption

25.1%
Reduction in carbon footprint

1.70 MW
Solar energy capacity installed

30.2%
Share of renewable energy in total energy consumption

6,766 MT* tonnes
Waste recycled and reused

*excluding BMW, Incineration and Landfill quantity. Including reclaimed Plastic waste

Social

649
Employees on-boarded (Net)

5.20+ Lacs
Manhours of training imparted

100%
Employees obtained training on health and safety

31,000+ children
Screened through the medical camps

1,87,000+ OPDs
Carried out across 11 centres

Governance

5 out of 9
Board members are Independent Directors

2
Of whom are female Directors

100%
Compliance to Code of Conduct, resulting in zero conflict of interest

6
Board committees

5
Out of 6 Committees chaired by Independent directors

Note : BOD Composition as at 24th May, 2024

About Torrent Pharma

Not just Healthcare... Lifecare

Torrent Pharma is a leading player in the Indian pharmaceutical sector, concentrating on the chronic and sub-chronic therapeutic segments. The Company has established itself as a leader in developing niche pharmaceutical solutions through its patient-centric innovation. It also has a strong global presence across Brazil, Germany, and the United States.

5th Largest
Company in the Indian Pharmaceutical Market (IPM)

Business Segments

Branded Generics (BGx)

Torrent Pharma's branded generics business focuses on the manufacturing, marketing and distribution of pharmaceutical products under its own brand names. These products are developed to provide affordable alternatives to patented drugs, catering to various therapeutic segments such as Cardiovascular (CV), Central Nervous System (CNS), Gastrointestinal (GI), Vitamin Mineral Nutrients (VMN), dermatology, diabetes, pain management and gynaecology.

The Company's branded generic medicines are marketed in key regions such as India, Brazil, and select emerging markets where Torrent Pharma has established a strong presence and brand recognition.

72%
Contribution to consolidated revenue in 2023-24

Generics (Gx)

The generics segment of Torrent Pharma specialises in manufacturing and supplying generic pharmaceutical products, particularly in markets where patent exclusivity has expired or where regulatory approval allows for the production of generic versions of branded drugs.

This segment focuses on specific markets, including emerging and regulated ones like the US, Europe and other countries where Torrent Pharma has identified opportunities.

24%
Contribution to consolidated revenue in 2023-24

Roots of Cultural Legacy

Torrent Pharma's fundamental belief is encapsulated in a straightforward yet impactful principle, "Happiness for All," which is exemplified by delivering world-class products and services to its customers.

Vision

To become the most respected pharma company.

Mission

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

Core Values

The Company's six core values serve as the foundation and guiding principles, ensuring its longevity and success in the pharmaceutical industry.

Integrity

When Truth is Paramount:

Thoughts and actions entail doing the right thing at all times and in all circumstances, whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honouring one's commitments and being accountable for one's actions, end-to-end.

Passion for Excellence

When best is not enough:

Passion for excellence means not doing extraordinary things but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence is not an act, but a habit.

Participative Decision-Making

Involvement that engenders effectiveness:

An ideal organisation facilitates the participation and involvement of each of its members in various decision-making processes, thus ensuring their commitment to such decisions as well as their outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams, and units which eventually yields exceptional results.

Concern for Society and Environment

When every smile matters:

Concern for society and the environment is a sense of responsibility and contribution to society, which determines its existence. It entails making a difference in the quality of our lives and the environment surrounding us. It is important to encourage fellow members, both collectively and individually to fulfil the responsibility of leaving behind a world rich in flora and fauna, and rich in time-tested values and ideals, and above all, rich in social fervour for its future generations.

Fairness with care

Harnessing Equality:

Fairness and care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion, and gender, into the day-to-day fabric, ensures fairness for each and every individual. Empathic care recognises needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.

Transparency

Openness that builds enduring trust:

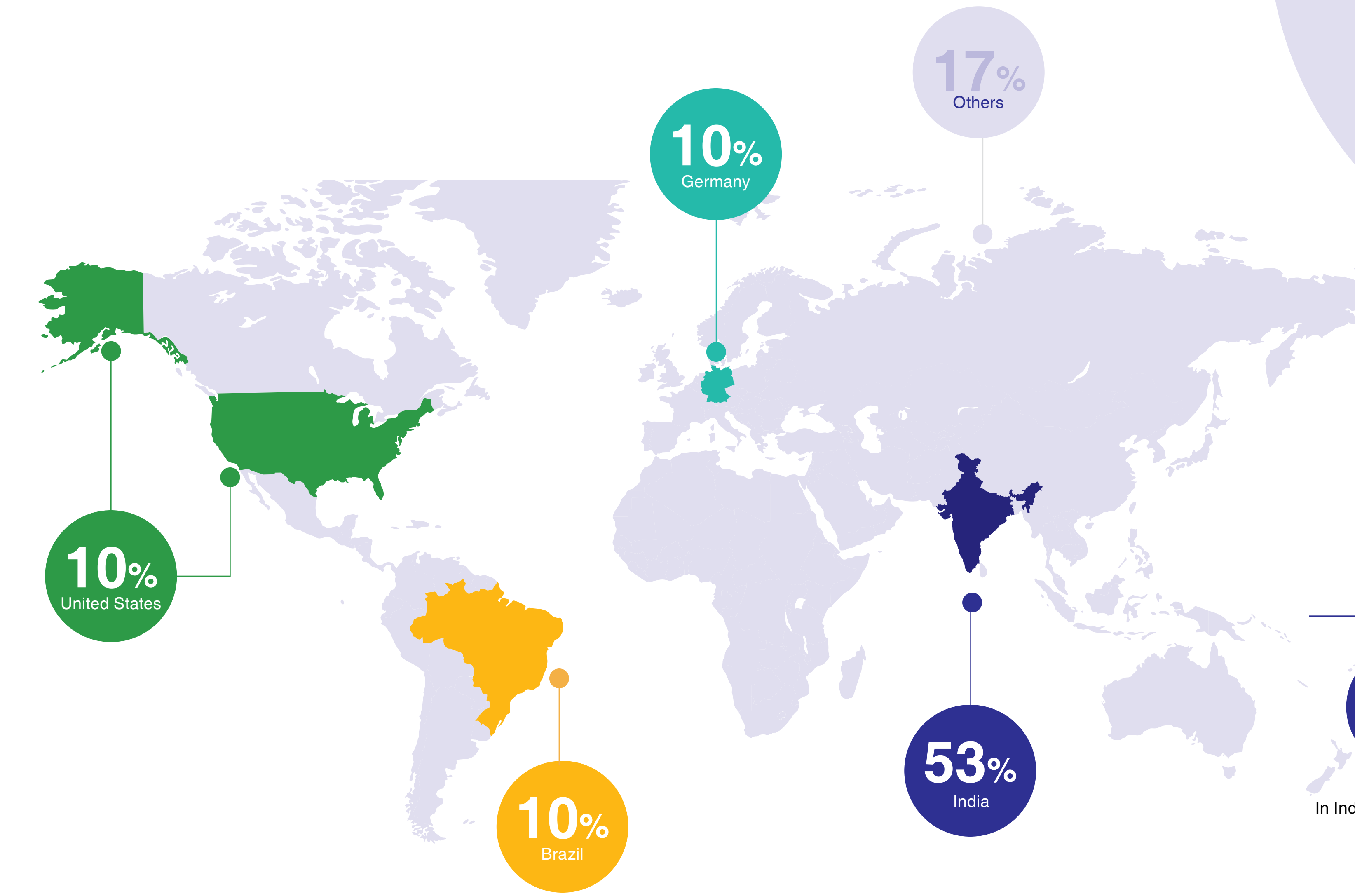
Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision-making and aids in creating enduring trust among all stakeholders.

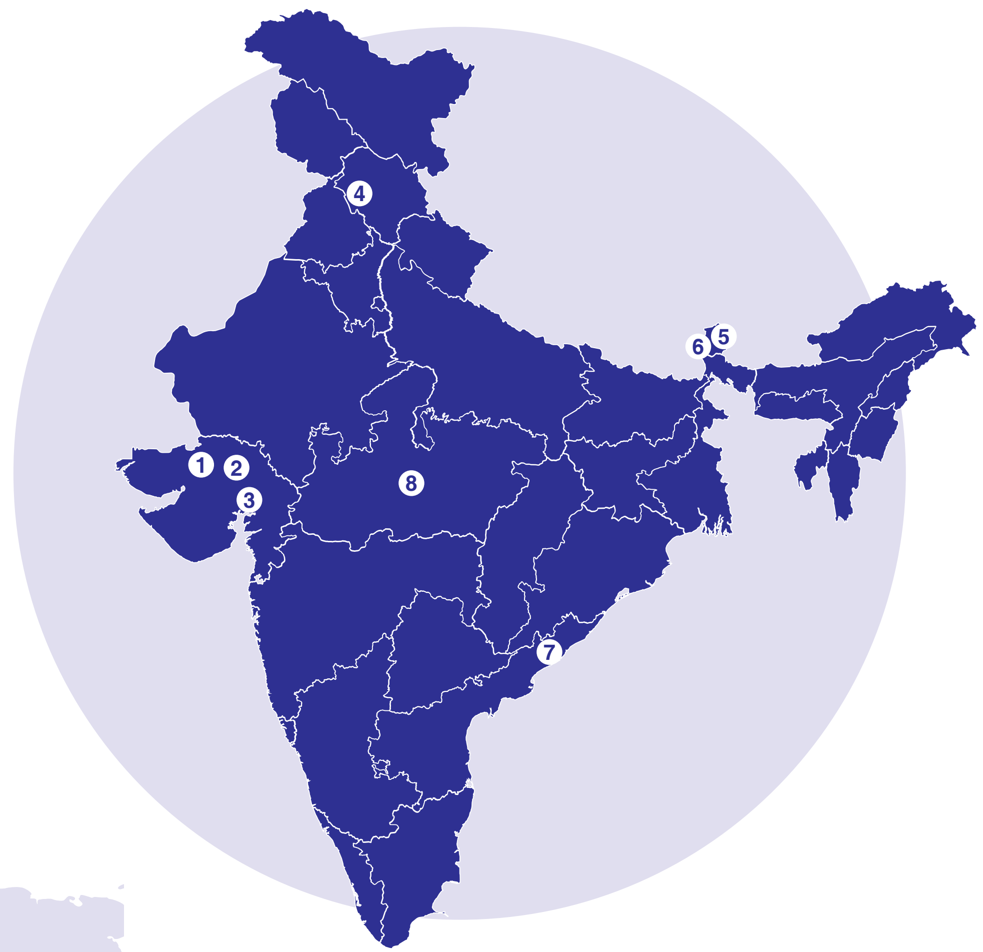
Presence

Enhancing Reach for Global Access

Torrent Pharma has consistently expanded its market presence through strategic expansions, resulting in a robust manufacturing base in India and a visible commercial presence worldwide.

Regionwise revenue share (%)





Manufacturing facilities

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

R&D facilities

1. Bhat, Gujarat

8
State-of-the-art manufacturing facilities across India

Disclaimer: Map for representational purpose, not to be scaled

5th In Indian Pharma Market

1st Among Indian pharma companies in Brazil

5th In Germany, generic pharma market and 1st among Indian pharma companies

11th Among Indian players in the US market 16 products ranked among Top 3 players

Portfolio

Addressing Diverse Patient Needs

Torrent Pharma has carved a niche in the pharmaceutical industry by providing premium-branded generic medicines to patients worldwide. Its distinctive product portfolio includes a significant share of treatments for chronic illnesses, thereby expanding its customer base and enhancing its business sustainability.

Catering to Various Therapeutic Segments

Torrent Pharma's sustained growth in key markets is attributed to its niche-branded generics portfolio and effective go-to-market strategies. The Company enhances its portfolio through leading-edge research and development initiatives, entering the trade generics segment, and extending into specialty networks and hospitals. The Company has made a strategic move into the CHC segment to expand its market presence and enhance its revenue potential.

Cardiovascular | Gastro-Intestinal | Dermatology | Anti-Diabetes | Central Nervous System | Vitamin Minerals Nutrients

75%

Portfolio includes chronic and sub-chronic therapies

India Products

Torrent Pharma has carved a unique niche for itself in the Indian pharmaceutical market, earning the title of 'The Company with the Most First Launches'. It has become a dominant player through a strategic focus on specific therapeutic areas and innovative marketing divisions. The Company enjoys a strong presence in several key segments including Cardiovascular (CV), Central Nervous System (CNS), Gastro-Intestinal (GI), Women Healthcare (WHC), Vitamins Minerals Nutrients (VMN) and Cosmo-Dermatology.

Top Brands

SHELCAL 500
CALCIUM + VITAMIN D3

NIKORAN 5
Nicorandil Tablets I.P.

NEXPRO RD 40
Esomeprazole Magnesium and Domperidone Sustained Release Capsules

CHYMORAL FORTE
Trypsin - Chymotrypsin Tablets

UNIENZYME

New Launches

NEBICARD T
Nebivolol Hydrochloride & Telmisartan Tablets

STALIX D (10 + 100)
Sitagliptin and Dapagliflozin Tablets

LASMIRAY 50
Lasmiditan Tablets 50mg

ROZUCOR F 10
Rosuvastatin and Fenofibrate Tablets I.P.

VORXAR
Saroglitazar Tablets

SITAXA M 50 + 500
Metformin and Sitagliptin Tablets B.P.

UNIENZYME XT
Deglycyrrhizinated Liquorice Extract Tablet with Fungal Diastase, Papain, Activated Charcoal

LINAXA
Linagliptin Tablets

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

Portfolio

Leading CHC brands

Over the years, Torrent Pharma has strengthened its CHC portfolio by expanding it with popular products such as Shelcal, Unienzyme, Tedibar, and Ahaglow. In pursuit of market share gain, the Company has launched initiatives to enhance distribution and conducted national media campaigns.

No. 1
Doctor prescribed Calcium brand*

Shelcal 500

Shelcal 500 is a leading Calcium + Vitamin D brand, widely prescribed by healthcare professionals to address calcium deficiency. Its formulation supports bone health and overall well-being.

45^^%
Market share in baby soap category

Tedibar

Tedibar is a 100% soap free bathing bar with a skin friendly pH that helps to gently cleanse the baby's sensitive skin while retaining the skin protective mantle. It is free of harmful chemicals like phthalates & paraben making it suitable for baby's skin.

Tedibar is the trusted choice of parents nationwide.

No. 1
Pediatrician prescribed 'Moisturising Bar'

84^%
Market share in solid digestive enzyme

Unienzyme Tablet

Unienzyme is India's top doctor-prescribed digestive enzyme brand, providing relief from digestive discomfort. Trusted by doctors, Unienzyme tablets offer effective digestion support, maintaining its position as a No.1 doctor prescribed digestive solid enzyme.*

No. 1
Dermatologist prescribed AHA brand*

Ahaglow

Ahaglow Advanced Facewash Gel, recommended by dermatologists, is the premier AHA facewash in India. Its formulation rejuvenates and refreshes the skin with each use, catering to individuals seeking dermatologist-endorsed skincare solutions.

* SMSRC MAT Feb 24 | ^MAT Dec 2023 - AIOCD | ^^MAT Feb 2024 - AIOCD

Brazil Products

Torrent Pharma's product portfolio in Brazil includes branded generics and generic drugs, with a focus on CNS, Oral Anti Diabetic/Obesity (OAD) and cardiovascular therapies.

The Company has 17 filings awaiting approval and 16 new filing planned in the next 12 months in BGx segment.

- Torval CR
- Indapen SR
- Venlift OD
- Lamitor CD
- Azukon MR
- Rosucor
- Olmecor
- Olmecor Triplo
- Tiag
- Veepi
- Neblock

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Investment case

Unlocking Long-term Value for Stakeholders

With 72% of revenues from the branded generic segment and a focus on chronic therapeutic areas, the Company has forged a distinctive position in the global pharmaceutical market. Its robust domestic position and diverse global operations, along with successful integration of acquisitions, reflect a dynamic balance of market focus and strategic execution. Over the years, the Company has consistently delivered shareholder value through strong financial performance, operational excellence and effective leadership.

Sustained Revenue Growth and Profitability

Driven by the strong performance of its top brands, successful product launches, and an increase in field force productivity, the Company has witnessed sustained growth in revenue over the years. Additionally, the Company's focus on maintaining an optimal product mix, particularly with an emphasis on branded generics, has further bolstered its financial performance. By enhancing capacity utilisation, optimising costs, and improving in-clinic effectiveness, the Company has consistently delivered margin improvement over the years.

12% Y-O-Y Revenue Growth

10% 3 Year CAGR in revenue (ex-USA growth 13%)

19% Y-O-Y Op. EBITDA Growth

11% 3 Year CAGR in Op. EBITDA

Market Share Improvement across Core Markets in Key Therapies

The Company has demonstrated resilience with robust market share growth in its core markets, India, Brazil, and Germany. In the US, the Company's strategic focus on high-growth segments, FDA clearance, strategic filings and targeted product launches positions Torrent Pharma for market share improvement in key therapy areas.

India 2024

5th largest
Pharma company in IPM

Brazil 2024

1st among
Indian pharma companies in Brazil

Germany 2024

5th in Germany
generic pharma market and **1st** among Indian pharma companies

Capitalising on High-growth Segments through Acquisitions

Inorganic opportunities have been integral to its growth journey. The recent acquisition of Curatio Health Care (I) Pvt. Limited in FY 2022 has fortified the Company's presence in the high-growth dermatology segment, significantly contributing to growth. This acquisition has improved Torrent Pharma's competitive ranking within dermatology therapy from 21st to 7th.

Robust R&D Capabilities

The Company's state-of-the-art R&D centre in India, operated by a dedicated team, focuses on creating novel drugs and enhancing existing formulations. Leveraging expertise in preclinical development, clinical trials, and regulatory affairs, the R&D centre plays a pivotal role in its innovation-driven approach to pharmaceutical development.

782 Scientists

167 Support staffs

684 Patents granted
Out of 1,274 patent applications submitted to date

Investment case

Strategic Investments

Torrent Pharma demonstrates financial prudence in its acquisition process by rigorously assessing opportunities based on three parameters: sustainability, portfolio, and growth potential, to ensure cash-accretive results.

2005
Heumann Pharma from Pfizer

2014
Elder Pharmaceuticals Limited's India and Nepal business

2015
Zyg Pharma Pvt Limited

2016
Glochem API facility

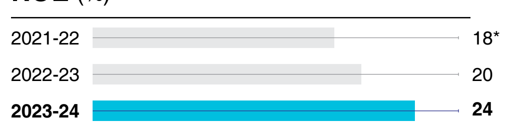
2017
Unichem's India and Nepal Business

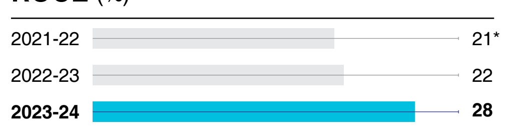
2022
Curatio Health Care (I) Private Limited

2023
In-licensing agreement with Zydus for Saroglitazar

Consistent Shareholder Value through Capital Efficiency

The Company has a track record of delivering consistent shareholder value. Over the years, the Company's prudent capital allocation approach has resulted in robust free cash flow generation and a strong liquidity position. This allows us to capitalise on emerging investment opportunities while maintaining financial flexibility.





*Adjusted for exceptional items

Robust Team and Exemplary Leadership

The Company's leadership team, comprised of professionals with diverse backgrounds and track records of industry experience, is instrumental in driving Torrent Pharma's strategic vision and operational excellence. Their adept decision-making in managing risks and capitalising on emerging opportunities has enabled the Company to navigate through dynamic market landscapes effectively and evolve as a leading global pharmaceutical player.

Driving Sustainability Forward

Torrent Pharma is deeply committed to Environmental, Social and Governance (ESG) principles, recognising their critical importance for stakeholders, the environment, and society. The company minimises its environmental impact through initiatives such as renewable energy use, water conservation, and waste recycling, ensuring responsible and sustainable operations.

Additionally, Torrent Pharma promotes holistic community development through various CSR programs and prioritises stakeholder value creation. Upholding transparency, accountability, and ethical conduct, the company adheres to stringent regulations and promotes responsible business practices.

Executive Chairman's Message

Celebrating Legacy, Shaping Tomorrow

> The global pharmaceutical industry witnessed a notable surge in spending in 2023, indicating a positive trajectory for medicine expenditure through 2028, fueled by strong growth in emerging markets.

Samir Mehta
Executive Chairman

Dear Stakeholders,

It gives me immense pleasure to present that Torrent Pharma made significant progress on multiple fronts during the fiscal year 2023-24. This year holds special significance as we commemorate the 100th birth anniversary of our visionary founder, Shri Uttambhai Nathalal Mehta. His journey from a medical representative to building a leading global pharmaceutical company continues to inspire us. His commitment to making affordable medicines and pioneering indigenous production remains the cornerstone of our values and mission.

As we move ahead, we are taking the legacy of the last five decades of journey to further strengthen the Company's position in the market and drive sustainable growth while creating value for stakeholders.

Economic Context and Industry Overview

The global economy has demonstrated resilience despite significant challenges, including supply-chain disruptions following the pandemic and a crisis triggered by the Russian-Ukraine conflict, leading to spikes in energy and food prices and substantial inflation. However, contrary to expectations, these events did not push the world into recession. The banking system remained robust, and major emerging markets avoided severe economic halts. Global growth hit a low of 2.3% in late 2022, coinciding with a peak in inflation at 9.4%. Looking ahead, growth is expected to stabilise around 3.2% for 2024 and 2025. Overall, indicators suggest a favourable economic trajectory with signs of a controlled adjustment.

The Indian economy displayed robust growth in FY24, with an estimated GDP growth of 7.8%, driven by strong private consumption and government capital expenditure. Sectors like construction and manufacturing played pivotal role, with double-digit growth rates. Despite inflation concerns, which moderated to 5.1% by February 2024, the Reserve Bank of India maintained a cautious stance for price stability. Looking ahead, India's economic outlook remains promising, with a projected growth rate of 6.8% for FY25, driven by private consumption and infrastructure investment.

The global pharmaceutical industry witnessed a notable surge in spending in 2023, indicating a positive trajectory for medicine expenditure through 2028, fuelled by strong growth in emerging markets.

Overall, the industry is poised for sustained growth and innovation, driven by emerging markets and therapeutic advancements, despite facing challenges. The Indian pharmaceutical industry, known for its quality and affordability, is poised for strong growth. Factors such as a growing population, demographic shifts, and government incentives like the PLI scheme are driving this growth. India's expertise in low-cost manufacturing ensures competitive pricing, while rising incomes and improved healthcare infrastructure enhance affordability and access to modern medicines nationwide.

Delivering Robust Performance

In 2023–24, we continued our growth momentum with a year-on-year healthy revenue growth of 12% and Operating EBITDA growth of 19%. Our operating profitability witnessed a notable improvement of approximately 5% over the past 5 years driven by enhanced operational efficiencies, strategic investments and strong market performance in branded markets.

I am pleased to share that our Bileshwarpura facility received regulatory clearance from the USFDA and commenced commercial operations. We successfully launched our first oncology product from this facility, marking a significant milestone in our expansion efforts and commitment to delivering innovative therapies. During the year, the USFDA also cleared our Dahej Facility which paves way for the new product approvals in the US market.

Our Indian business continued to deliver strong performance, contributing approximately 53% of our revenues, supported by strong performance of top brands, new launch momentum, market share gains in our focus therapies and strong growth in Curatio acquired portfolio. The company also entered into strategic alliance with Zydus Lifesciences Ltd which will strengthen our gastroenterology portfolio while addressing the growing patients' needs in NASH and NAFLD. Going forward, we expect India business to continue outperforming the market growth. We remain committed to expanding market share in all our focus therapies, improve field force productivity in the expanded areas, prioritising new product launches, and continue building the consumer health business.

In Brazil, Torrent Pharma has established itself as a leading player, navigating through patent law changes and market fluctuations with resilience. However, our commitment to growth is further exemplified by our strategic initiatives. Firstly, we have accelerated new product launches in both branded (BGx) and generic (Gx) segments. Secondly, we are focused on expanding our portfolio in CNS, Diabetes, Cardiovascular and adding two new therapeutic segment in the coming years.

In ROW markets, we continue to remain focused on brand building, expansion of existing and new therapeutic areas.

In Germany, amidst shifting market dynamics and rising competition, our efforts are directed towards improving cost competitiveness and refining tender bidding strategies in the generics market, particularly for high volume and niche products, which have yielded positive results. We are also placing increased emphasis on over-the-counter (OTC) and specialty channels such as hospitals, which show promising growth prospects. Moving forward, we intend to maintain our market position by persisting with cost optimisation initiatives, expanding our product range, and solidifying our presence in critical market segments

In the US, new product approvals are expected to give a positive momentum to the overall performance. At the year-end, 34 ANDAs were pending approval with the USFDA.

We continue to prioritise key countries such as Mexico and the Philippines as growth engines among second-tier markets, alongside other markets to strengthen our global footprint and capitalise on new opportunities for expansion.

Going Beyond Business

At Torrent Pharma, we are dedicated to sustainability and responsible practices. We have set ambitious targets to reduce our greenhouse gas emissions and are actively exploring innovative methods to minimise our environmental impact. By diversifying our energy mix with cleaner fuels and renewable sources and investing in projects like the Hybrid Solar-Wind initiative, we aim to significantly reduce our carbon footprint.

In addition to managing energy and emissions, we prioritise water conservation through initiatives such as rainwater harvesting and responsible freshwater consumption. Our goal is to achieve 100% non-hazardous recycling and zero waste at landfill sites, reflecting our commitment to environmental stewardship.

As part of our corporate social responsibility philosophy, we strive to positively impact communities in three key areas: Community Healthcare, Sanitation and Hygiene, Education and Knowledge Enhancement and Social Care and Concern. Through our initiatives in the areas of healthcare like preventive healthcare programmes, enhancing women health & hygiene and providing access to as specialist medical services through proactive interventions, including awareness campaigns and educational support, we aim to improve lives and promote well-being of the Community.

Outlook

Looking ahead, we aim to consolidate and strengthen our market position in the branded generic markets, focus on improving field force productivity in the expanded areas, and further grow our consumer health business portfolio by strengthening our distribution channels and launching national media campaigns to bolster brand awareness and market presence. For generic markets, our focus will be to continue achieving cost competitiveness and strengthen the R&D pipeline through incremental filing and launches. Incremental cash generation shall be allocated toward further de-leveraging of balance sheet. Furthermore, we made significant progress on our ESG targets and will continue reducing our carbon footprint and environmental impact through various initiatives.

We express our gratitude to our employees and stakeholders for their trust and support, and we are committed to fostering these relationships to create enduring value and drive sustainable growth.

Regards,

SAMIR MEHTA
Executive Chairman

Leadership Team

Leading with Foresight

At Torrent Pharma, the Board of Directors, comprising diverse and experienced leaders, plays a pivotal role in steering the Company towards growth and success. Their collective competency, diverse perspectives, inclusive approach, and commitment to sustainability ensure alignment with long-term objectives and value creation for stakeholders.

Sudhir Mehta
Chairman Emeritus

Read more

Board composition as of 24th May, 2024

Samir Mehta
Executive Chairman
C

Read more

Ameera Shah
Independent Director
C M M

Read more

Nayantara Bali
Independent Director
C M M M

Read more

Dr. Maurice Chagnaud
Independent Director
M M

Read more

Manish Choksi
Independent Director
C M

Read more

Nikhil Khattau
Independent Director
C C M

Read more

Jinesh Shah
Director (Operations)
M M

Read more

Jinal Mehta
Non-Executive Director

Read more

Aman Mehta
Whole Time Director
M

Read more

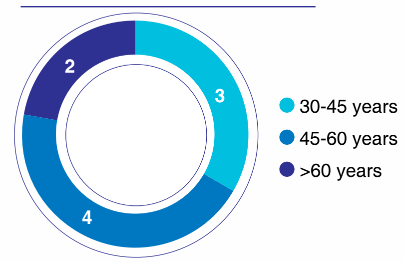
- Audit Committee
- Risk Management Committee
- Securities Transfer and Stakeholders Relationship Committee
- Corporate Social Responsibility and Sustainability Committee
- Nomination and Remuneration Committee
- Committee of Directors

C Chairperson M Member

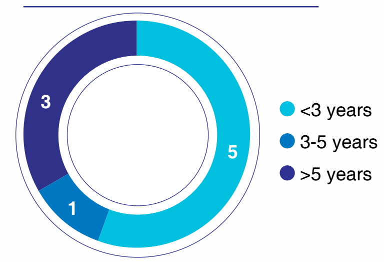
Read more

For full profile click on read more or visit company's website

Age of Board of Directors



Length of Tenure of Board of Directors



Skill/competence Matrix

Skill/competence	No. of Directors
Strategic leadership	9
Industry experience	5
Financial expertise	7
Governance, Risks and Compliance	9

Business Model

Operating Context

Inputs

Financial Capital

₹6,856 crores	₹3,937 crores	₹299 crores
Net Worth	Borrowings	Net Capex

Manufactured Capital

8	90 MT	2,500+ crores
Manufacturing Units	API Capacity	Dose Formulation Capacity

Intellectual Capital

782	₹527 crores
Scientists	R&D Expenditure

Human Capital

16,000+	5.20 lacs+
No. of Employees	Man-hours Training

Social and Relationship Capital

₹44 crores	7,300+	5,800+
CSR and Social Donation	Vendors	Stockists

Natural Capital

846.81 TJ	1.082 mn m³
Energy Consumed	Water Withdrawal

Value Creation Process

Vision

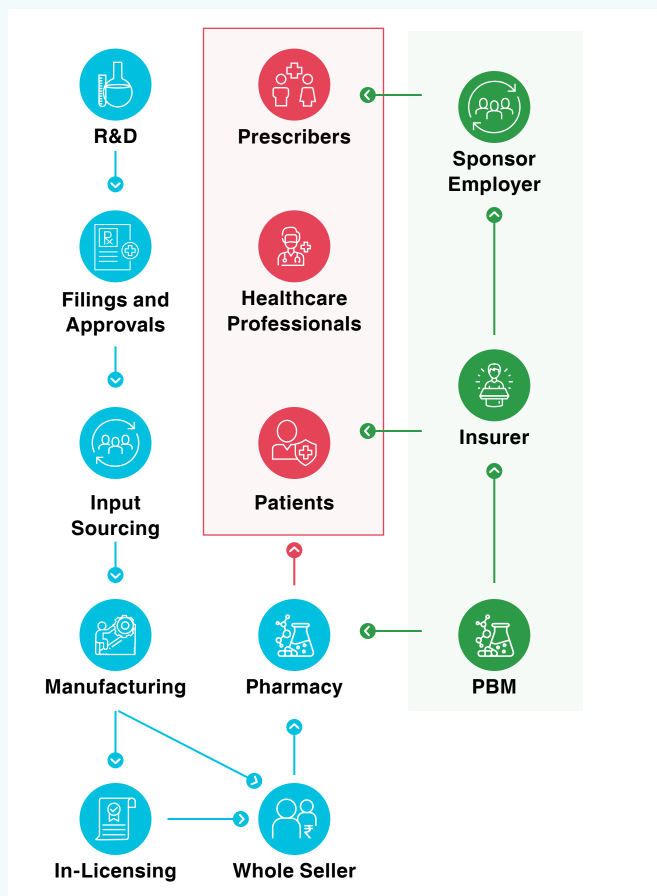
To become the most respected pharma company

Mission

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

Values

- Integrity
- Passion for Excellence
- Participative Decision Making
- Concern for Society & Environment
- Fairness with Care
- Transparency



Outputs → Outcome → Stakeholders Impacted → UN SDGs Aligned

Outputs	Outcome
Revenue: ₹10,728 crores Operating EBITDA: ₹3,368 crores ROE: 24%	• Maximising shareholder value • Consistent growth trajectory
Products registered: 2,000+ Capacity Utilisation: 59%	• Strong manufacturing capabilities • Competitive product portfolio
Filings: 257 Patents filed: 38 Projects pipeline: 122	• Innovative product development • Increased technological intervention
Employees Upskilled: 64% Fatalities: Zero	• Diverse and motivated workforce • Upskilled talent pool
Children screened for malnourishment and anemia: 31,000+	• Enhanced stakeholder relationship • Positive impact on communities
Water recycled: 40% Waste recycled: 74*% * excluding reclaimed plastic waste	• Robust environmental stewardship • Operational excellence with resource conservation

Governance

Risks and Opportunity Management

Operating Context

Adapting to Evolving Industry Landscape

The global pharmaceutical industry is evolving rapidly, influenced by technological advancements, regulatory changes, and market dynamics. Torrent Pharma is closely monitoring these developments and adapting its strategies to stay competitive and drive growth in this dynamic environment.

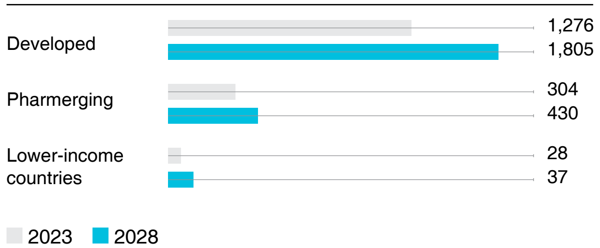
Global Pharmaceutical Industry

The global pharmaceutical market is projected to reach $2.3 trillion in spending with a CAGR of 5-8% between 2024 and 2028. Developed countries, including the U.S., European nations, and Japan, are expected to exhibit varying growth rates. Pharmerging markets such as China, India, and other parts of Asia are expected to grow faster than 3% CAGR, driven by increased uptake of new medicines and offset by generic pricing pressures. Latin America, Eastern Europe, and parts of Asia are projected to grow strongly, benefiting from volume and adoption of novel medicines.

~$2.3 trillion

Global medicine spending to reach by 2028 from **$1.6 trillion** in 2023

Global Medicine Spending ($ bn)



Read our response to market trends in Strategic Priorities and Risk Management section

Trends Shaping the Growth Projection

- **Adoption of Novel Therapies:** The increased usage and wider adoption of innovative treatments, particularly in oncology, immunology, and endocrinology, are driving medicine growth. Oncology is projected to add 100 new treatments over five years, contributing significantly to overall spending.
- **Biotech and Specialty Medicines:** Biotech will see growth of 9.5% to 12.5%, representing $890 billion in spending by 2028, or 39% of the global market. Specialty medicines, which treat chronic, complex, or rare conditions, will account for 43% of global spending by 2028, and over 55% in leading developed markets.
- **Generics and Biosimilars:** The adoption of generics and biosimilars is helping to offset spending increases by providing lower-cost alternatives to branded medicines. Nearly half of the immunology biologic volume faces biosimilar competition in developed markets, increasing usage as costs decline.
- **Policy and Pricing Reforms:** Pricing reforms and policy changes in regions like the U.S. are influencing spending and growth dynamics. These include rebates, government-mandated discounts, and clawbacks, significantly affecting net manufacturer sales.
- **Regional Uptake:** Strong growth is expected in Pharmerging markets due to increased volume and adoption of new medicines. Latin America, Eastern Europe, and parts of Asia are also projected to experience robust growth driven by the volume and uptake of novel medicines.
- **Therapy-Specific Trends:** Areas such as diabetes and obesity treatments are evolving, with GLP-1 agonists gaining wider adoption for obesity, reshaping treatment and health outcomes. New therapies in Alzheimer's and mental health are also expected to drive growth in neurology and mental health spending.

Medicine Spending Growth by Key Regions

The pharmaceutical industry in India is set for substantial growth, with medicine spending projected to rise at a 7-10% compound annual growth rate (CAGR) from 2024 to 2028. This growth is driven by increasing population, rising income levels, higher incidence of lifestyle diseases, greater health insurance penetration, longer life expectancy, and supportive government initiatives. Competitive pricing and new product introductions further bolster the market, ensuring India remains a high-growth market in the pharmaceutical sector.

7-10%

CAGR in medicine spending in India is expected between 2024-28

7-10%

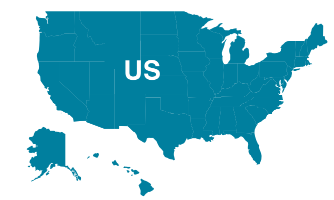
CAGR in medicine spending in Brazil is expected between 2024-28

Brazil's pharmaceutical market is poised for substantial growth, driven initially by the widespread use of low-cost therapies and gradually shifting towards higher-cost treatments. During the pandemic, the region saw significant spending growth due to the increased use of established and generic medicines for COVID-19 symptom management. This trend contributed to a high volume growth, with Brazil's defined daily dose (DDD) in 2028 projected to be 48% higher than in 2018. After a slow 2024, Brazil is expected to lead Latin America's pharmaceutical market with an average annual growth rate of 7-10% CAGR, alongside Mexico, Argentina, and Colombia.

4-7%

CAGR in medicine spending in Germany is expected between 2024-28

Germany's pharmaceutical market, valued at over $60 billion, is expected to grow at a 4% to 7% CAGR through 2028, positioning it as the third largest market globally by 2026, surpassing Japan. The German healthcare market is highly regulated, with relatively low legislative pressure to reduce drug prices. Generics, including biosimilars, are anticipated to contribute an additional $15 billion in growth over the next five years, despite price deflation offsetting volume gains. Medicine spending in the top five European markets, including Germany, is projected to rise from $226 billion in 2023 to $296 billion in 2028, with an overall CAGR of 4% to 7%. The Company's European business primarily operates in Germany and the UK.



2-5%

CAGR in medicine spending in US is expected between 2024-28

The US pharmaceutical market is one of the largest in the world and is experiencing healthy growth driven by its ageing population, the willingness to spend on healthcare and innovative treatments, with projected revenue reaching $636.90 billion in 2024 and expected to grow with CAGR of 2-5% through 2028. Oncology drugs are expected to be the largest segment, valued at $114.60 billion in 2024. The generic drugs market is also expanding, with a projected value of $147.57 billion by 2028, growing at a 6.39% CAGR from $101.77 billion in 2022.

Source: IQVIA 2023 Outlook Report, Industry Reports

Stakeholder Engagement

Forging Lasting Bonds

Torrent Pharma's stakeholders, from financial providers to local communities, play a vital role in its value creation process and sustainability. The Company priorities in engaging with each group to understand their needs, seek regular feedback, and provide a clear picture of its business activities and course for the future.

Stakeholder Identification

The Company regularly identifies and evaluates critical stakeholders to gauge what matters most to them. Moreover, the Company consider its ability to impact stakeholders through its performance and operations as one of its defining facets. Consequently, it engages continuously with the identified stakeholder groups throughout the year.

Stakeholder Engagement Mechanism

Torrent Pharma deploys diverse mechanisms to engage with key stakeholder groups and gather feedback at need-based frequencies. This open and transparent approach forges enduring ties and gives stakeholders a clear view of its ongoing activities and future course of action. The Company has provided further details on these engagement mechanisms below.

Stakeholder Groups	Relevance	Modes of Engagement	Capital Linkages
Patients	The Company's ultimate customers are the patients, and its success heavily depends on meeting their expectations. This is achieved by delivering quality products on time and within an affordable price range.	• Website • Clinical studies • Pharmacovigilance	
Channel Partners	Channel partners play an essential role in the distribution of products. across the globe and ensure their seamless accessibility.	• Meetings • Field visits • Digital communication	
Suppliers	The Company's suppliers provide active pharmaceutical ingredients, other input materials, finished products, and critical services, safeguarding the continuity of business operations.	• Meetings • Visits • Supplier audit • Facility visits	

Financial Capital Manufactured Capital Intallectual Capital Human Capital Social Capital Natural Capital

Stakeholder Groups	Relevance	Modes of Engagement	Capital Linkages
Healthcare Professionals	Healthcare professionals allow the Company to fully grasp the evolving needs of patients and put the best foot forward for their benefit.	• Meetings • Conferences • Seminars • Field visits • Continuing Medical Education (CME) events	
Governments and Regulators	Policies and regulatory changes impact operations and provide opportunities. Practicing rigorous adherence to laws and regulations and espousing ethical conduct is crucial for the Company's long-term viability.	• Meetings • Conferences • Facility visits • Official communications • Statutory publications	
Industry Associations	Regular engagements with industry associations help raise awareness about the Company's contributions to society and the economy and provide a public policy advocacy forum.	• Industry conferences • Representations on policy matters	
Investors and Shareholders	Investors and shareholders provide financial capital and help to provide keen insights into ways and means to improve the Company's activities and operationalise good governance practices.	• Earnings call • Meetings • Investor conferences • Annual General Meeting (AGM) • Website	
Communities	The Company strives to positively impact the local communities where it operates, which helps in building long-term relationships.	• Interactions through CSR initiatives	
Employees	The success of an organisation depends on employees. The Company follows a people-first approach and focuses on individual growth that will ultimately contribute to the growth of the organisation.	• Senior management interactions • HR communications • Engagement programmes	

Materiality Assessment

Prioritising Issues that Matter

Identifying and addressing material issues is crucial for reflecting an organisation's economic, environmental, and social impacts, and influencing stakeholders' decisions. Thus, the Company pinpointed the most material issues and diligently acted upon them to achieve sustainable value creation.

Materiality Assessment Approach

The approach to materiality assessment involved conducting a thorough evaluation and soliciting all stakeholders' opinions and insights to assess the significance of environmental, social, governance, and economic issues crucial for long-term viability and sustainability. Through this process, the Company identified and prioritised critical issues for its business sustainability and value creation. The following highlights the approach undertaken to accomplish the materiality assessment process.

Materiality Matrix

Importance along external stakeholders (Medium – High)

Relevance to business from the Company perspective (Medium – High)

High / High:

- M1 Product Quality and Safety
- M2 Innovation: Strengthening R&D pipeline
- M3 Water and waste water management
- M4 Energy efficiency and renewable energy
- M5 Employee engagement, safety and well being
- M6 Equality
- M7 Ethics and business integrity
- M8 Adherence to laws

Medium / Medium:

- Good health and well-being
- Safe clinical trials
- Anti-fraud
- Fair compensation
- Diverse Board and effective evaluation
- Incident and emergency planning
- Succession planning
- Business Code of Conduct
- Transparency

Medium external importance / High business relevance:

- Risk management
- Information Security
- Air emissions
- Enhancing manufacturing and supply chain capabilities
- Employee training and upgradation
- Human rights
- Reduction in plastic usage
- Affordability, accessibility and awareness
- Technology
- Community development
- Grievances redressal
- Capital allocation and returns
- Product environmental stewardship
- Product pricing
- Manufacturing related discharges
- Climate change
- Inorganic growth opportunities

	Economic	Environment	Social	Governance
Materials Issues	M1 M2	M3 M4	M5 M6	M7 M8
Capital Linkage				
UN SDGs Linkage	9, 12	6, 7, 12	3, 5, 8, 10	16

Strategic Priorities

Overview of Strategic Themes

Torrent Pharma upholds its commitment while forging ahead towards a sustainable future. Its integrated strategic framework reflects this dual commitment, addressing business objectives alongside environmental and societal responsibilities. With six strategic pillars guiding its efforts, the Company honours its legacy while shaping a brighter tomorrow for the Company and its stakeholders.

Vision

Mission

Objectives

Material Issues | Emerging Trends | Business Opportunities | Business Challenges

Improve market share in core markets	Invest in tomorrow's growth engines	Operational excellence	Engaged and empowered stakeholders	Deploy digital technologies	Responsible action
Territories • India • Brazil • Germany • US	**Existing** • Philippines • UK • Mexico **New** • EU • LATAM • South East Asia	• Supply continuity and assessment • Productivity enhancement • Cost competitiveness • Product Stewardship & Quality • R&D Efficiency	• Leadership • Talent development • Productivity • Innovation • Health, Safety and well-being • Human Rights • Local Communities Engagement	• Enterprise architecture • Big data analytics • Emerging technologies • Information security	• Carbon Emissions and Energy requirements • Water Stewardship • Waste Management • Responsible Communication

Enterprise Risk Management (ERM)

Execution Plan (Annual and Long-term) & Robust Governance

Core Values

Overview of Strategic Themes

	Focus Areas	KPIs	Capitals Deployed
ST1 **Improve market share in core markets**	• India Business • Brazil Business • Germany Business • US Business	• Market share • Launches/Filings • Productivity • R&D Spend	
ST2 **Create sustainable and profitable growth by investing in new markets to develop them as tomorrow's growth engines**	• Scale capacities and capabilities in emerging markets by leveraging our learning derived from BGx markets and new launches • Invest in new emerging markets by leveraging current the pipeline and throughout licensing	• Revenue growth • New markets • New launches • Collaborations	
ST3 **Drive operational excellence through a focus on quality, productivity, and cost competitiveness**	• Supply continuity and assessment • Productivity enhancement • Cost competitiveness • Product Stewardship & Quality • R&D efficiency	• Monitoring quality matrix • Product/ Customer complaint • Per unit cost	
ST4 **Build engaged and empowered workforce with focus on leadership, innovation, and productivity**	• Leadership • Talent development • Productivity • Innovation • Health, Safety and well-being	• Leadership pipeline • Productivity metrics across R&D, operations, and sales	
ST5 **Deploy digital technologies to drive business model improvements**	• Enterprise architecture • Big data analytics • Emerging technologies • Information security	• IT spend • IT strategy roadmap	
ST6 **Enhance responsible actions by integrated sustainability across business operations**	• Carbon emissions and energy requirements • Water stewardship • Waste management • Responsible communication	• GHG emissions (Scope 1 and 2) • Water withdrawal • Waste recycled • No. of Internal newsletter • No. of External disclosures	

Strategic Priorities

Capitals Deployed

ST1 Improve Market Share in Core Markets

India Business

Overview

83% of the Company's revenues come from four core markets, viz., India, Brazil, Germany, and the US. India remains the largest market, contributing ~53% of our revenues.

The global business mix (~72% BGx and 24% Gx) is highly optimised, balancing consistent financial returns with adequate operating leverage and cost-competitiveness.

Outlook

The growth of the branded generics is expected to be in high single digit (~8%) with Chronic therapies being main driving force. Key growth levers for IPM are expected to be increasing population, rising income levels, growth in lifestyle diseases, insurance penetration, increasing life expectancy and government initiatives.

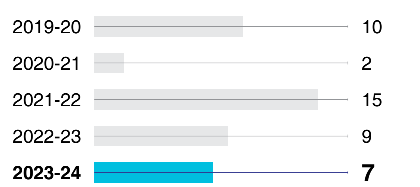
Trends, Opportunities, and Challenges

The Indian pharmaceutical market (IPM), valued at over $24 billion (with $ to ₹conversion @ ₹83), demonstrated remarkable resilience in FY24. With its solid fundamentals, the market is poised to sustain high single-digit growth, propelled by various factors such as population growth, rising income levels, increasing prevalence of lifestyle diseases, expanding insurance coverage, rising life expectancy, and government initiatives.

Over the past three years, industry players have expanded their field force, to extend market coverage beyond major cities, leading to enhanced outreach, to doctors and improved diagnosis rates. Price remained a key driver for growth in the IPM, followed closely by new product introductions. However, volume growth witnessed a slowdown, due to competition from segments such as trade generics and the Janaushadhi segment.

Anticipating robust growth in chronic therapies and a resurgence in the acute segment, IPM is expected to maintain its trajectory of high single-digit growth in the near to mid-term.

IPM growth (in %)



Focus Areas

Field Force Expansion

- Expanding field force in core therapy areas to broaden doctor coverage, prioritise focus brands, and introduce new products.
- Adding new divisions to target smaller towns and reach previously uncovered prescribers.

Sales Force Effectiveness (SFE) and Capability Building

- Identifying target customers through segmentation and targeting exercises helps focus efforts on a specific prescriber base.
- Improving field force productivity by enhancing in-clinic effectiveness and governance processes.
- Building field force capabilities through structured Learning and Development (L&D) programmes.

Brand Building and Scientific Initiatives

- Portfolio restructuring to provide room for growth of sizeable brands & strengthen brand building efforts.
- Engaging with Healthcare Professionals (HCPs) through innovative workshops and educational programmes, with a focus on young doctors, to improve their skills and awareness.

Curatio Integration and Scale-Up

- Maintaining growth momentum post-acquisition.
- Expanding coverage in paediatric and dermatology specialties.
- Driving operational efficiencies and integrating sales processes.

Other Initiatives

- Leveraging data analytics and insights to adjust strategies in response to emerging market developments.

KPIs: 1. Market Share | 2. New Launches | 3. PCPM | 4. Inorganic Growth

Performance Highlights*

5th In the Indian Pharmaceutical Market	6th By prescription among specialists	2nd In the cardiac segment	3rd In the CNS
4th In the Gastrointestinal and VMN segment	4th Among combined chronic / sub chronic segment	21 Brands among top-500	16 Brands worth more than ₹100 crores

***Source:** AIOCD Data (Pharmarack)

New Product Offerings and Strategic Alliances

- Torrent Pharma has focused on launching a significant number of new products in FY24, especially in key therapeutic areas like Novel Drug Delivery Systems (NDDS) and Fixed Dosage Combinations (FDCs). Notable launches include Sitagliptin FDC, Linagliptin and its FDC in the anti-diabetic segment, Ferric Carboxy Maltose in gynecology therapy, and Lasmitidan in the CNS segment.
- Strategic alliances, such as the partnership with Zydus to bring Saroglitazar for Non-Alcoholic Steato Hepatitis (NASH) and Non-Alcoholic Fatty Liver Disease (NAFLD). This will further enhance gastroenterology franchise and help in addressing emerging unmet patient needs.

Market Share Gain and Expansion Initiatives

- In addition to the core strategies, Torrent Pharma has focused on scaling up its Consumer Healthcare (CHC) and Trade Generics businesses to gain market share in areas with a relatively lower presence.
- Initiatives include expanding the CHC portfolio with brands like Shelcal, Unienzyme, Tedibar, and Ahaglow, along with enhancing distribution and launching national media campaigns.
- The trade generics business saw expansion with a network of ~4,000 stockists and dedicated teams, further strengthening Torrent Pharma's presence in identified areas.

Field Force Expansion and Productivity Initiatives

- Torrent Pharma undertook expansion of the field force across key therapeutic areas to increase doctor coverage, enhance focus on key brands, and complement new product launches.
- Expansion efforts have focused on mass prescriber specialties and extra-urban regions, with the current field force strength reaching approximately 5,700.
- In addition to expansion, the Company has been monitoring and improving the productivity of divisions undergoing expansion to ensure effective utilisation of resources.

Strategic Priorities

Brazil Business

Overview

Torrent Pharma has been operating in Brazil since 2002, establishing itself as the largest Indian pharmaceutical company in the region. It is led by a strong team of sales representatives and commercial consultants in the BGx segment, along with supervisors in the Gx segment.

Outlook

In the Brazilian pharmaceutical market, both retail and non-retail channels are projected to grow at rates between 8% and 12%. Torrent Pharma anticipates outperforming the market in the retail sector, driven by new product launches in both branded (BGx) and generic (Gx) segments. The Company remains focused on expanding its portfolio, with plans to introduce 13 new product filings in CNS, Diabetes, and Cardiovascular therapies, alongside an additional 3 new Oncology products, totaling 16 new filings in 2024–25. Additionally, Torrent Pharma plans to build large brands by launching not more than 2 to 3 products in each business unit of its branded business. During the year, the Company aims to introduce six new products in its existing business, which will include its entry into the ADHD segment of CNS therapy. The Company also aims to expand its Generics business, with the goal of enhancing its reach to 60,000 points of sales and achieving over 8% market share.

Trends, Opportunities, and Challenges

Market Size and Growth: Brazil constitutes a substantial portion, representing 47% of the total LATAM pharma market in both units (6.9 billion) and value (USD 37.3 billion), experiencing a growth of 12.9% in value. The branded generics market size currently stands at USD 10 billion, with a growth rate of 10% according to MAT Mar IQVIA data, while the total Retail market amounts to USD 15 billion (excluding OTC). The generics market currently stands at USD 3.3 billion with a growth rate of 13% and is estimated to continue with similar growth in the future.

Patent Law Changes: Recent changes in patent law have impacted the market dynamics, leading to molecules going off patent. Under the new law, patents now expire after 20 years from filing, compared to the previous law of 10 years from approval.

Focus Areas

The Company undertook several initiatives to expand its base business during the year under review. These initiatives include:

- **Accelerated Product Filings:** Torrent Pharma has accelerated its product filings over the past two years, with plans to launch these products in the coming years. This strategy aims to sustain current growth and promote future growth in specific therapeutic areas.
- **Field force expansion in CNS business:** The field force expansion in the Central Nervous System (CNS) business unit was successfully completed in August 2023.
- **Expansion of Generics Business:** Torrent Pharma's Gx business has shown robust growth, surpassing market expectations. Currently, Torrent Pharma's Gx products are available at 45,000 points of sale.

The Company aims to continue increasing its market share and also its reach across points of sale.

- **Entering New Therapies:** In addition to expanding its existing business, the Company achieved significant milestones in entering new therapies and building large brands. In the fiscal year 2023–24, the Company marked its foray into Oncology with its maiden product filing and received approvals for seven Dermatology products.

KPIs:

1. Product Launches in Existing Therapies of BGx Market
2. Increase Market Share in Gx Market
3. New Therapies

Performance Highlights

2	9	9	1st	1st
Brands among the top-100	Brands among the top-500	Brands worth >₹50 crores	Rank in the Brazil BGx covered market	Rank among Indian pharma companies in Brazil

Strategic Priorities

Germany Business

Overview

Torrent's presence in Germany started with acquiring Heumann Pharma from Pfizer in 2005. The Company is the fifth-largest generic player in the German market, with a 5.7% market share. The Company also has licensing arrangements in the German market with several other manufacturers with a low-cost base.

Outlook

The German market is expected to grow by 4% to 7% CAGR and is expected to position itself as third largest market globally in the short to medium term.

The threat of new entrants and intensification of competition is bringing pricing pressures.

Trends, Opportunities, and Challenges

- The generic pharmaceutical market witnessed changes in tender structures and buyer behaviour. Insurance companies are increasingly favouring two to three winner categories in tenders to ensure consistent product availability, reflecting a shift towards supply chain resilience.
- Buyer consolidation among sick funds has intensified competition, leading to pricing pressures in the generic pharmaceutical market.

Focus Areas

Cost Competitiveness and Tender Bidding Strategies

- Implementation of the Cost Leadership Programme focusing on various parameters to improve competitiveness.
- Ongoing efforts to enhance cost efficiency across several identified products, with various stages of cost improvement implementation.
- Grow base business through aggressive tender bidding.

Expansion in the German Generics Market

- The strategic approach includes identification of portfolio gaps and off patent products, sourcing them from in-house manufacturing or external tie-ups and thereby increasing coverage in the German generics market.

Over the Counter (OTC) Business Expansion

- Successful expansion of the OTC team, with a focus on increasing pharmacy coverage and launching new OTC products to cater to consumer needs and preferences.

Specialty Channels and Hospitals Expansion

- Launch of the new combination product as part of Generic Plus expansion, along with establishing contracts with hospitals, buying groups, and institutional centres.

Foray into New Market Segments (Hospitals and Institutional Business)

- Initiation of regulatory procedures for injectable products, with the expected grant of Marketing Authorisation (MA) by mid 2025.
- Initial steps were taken to establish relationships with hospital buying groups, laying the groundwork for the introduction of injectables in the future.

KPIs:

1. Market Coverage
2. Product Launches
3. Day 1 Launches
4. OTC Revenue Share
5. New Customer Segments

Performance Highlights

5.7%
Market share

€120 million
Revenues earned in 2023-24

5th in Germany
Generic pharma market and 1st among Indian pharma companies

Strategic Priorities

US Business

Overview

Torrent Pharma ranked 11th among Indian companies operating in the US generic market, with a share of ~ 8.7% in the covered market.

Outlook

- The outlook for US pharmaceutical market growth is being raised by 3 percentage points to 2-5% CAGR through 2028, reflecting higher recent growth and expected further increased patient use of higher value therapies.
- The biggest contributors to the growth in the next five years are expected to be in oncology, immunology, diabetes, and obesity drugs. The growth will be result of continuous influx of innovative products, offset by exclusivity losses.
- The US FDA continues to support the generic drug industry by increased inspections of manufacturing facilities post COVID, and shorter timelines for ANDA approvals to mitigate the recent generic shortages.

In 2023, the generic drug programme approved or tentatively approved 956 generic drug applications, including 90 first generic approvals.

In 2023, the generic drug programme launched a pilot that offers new meeting opportunities to prospective generic drug applicants who are using Model-Integrated Evidence (MIE) approaches for bioequivalence (BE) establishment in their ANDAs.

Trends, Opportunities, and Challenges

- Generic price deflation is slowing down on mature molecules. Low double digits in 2022 to high single digits in 2023.
- US FDA approvals for generics have been increasing for the past 3 years but have not reached the Pre-covid levels.
- US FDA inspections of pharmaceutical manufacturing facilities have increased in India and other foreign countries in the last 2 years.
- Companies are rationalising their portfolios, causing significant drug shortages, specifically in high-volume, low-value generic molecules.

Focus Areas

- The Company had significant market share gains in some of specialised niche products as well as in the dermatology portfolio. The Company's supply chain connectivity proved advantageous as against the supply chain issues faced by competitors.
- Identified low-cost CMOs for high-volume, low-value products. These CMO's have equipment specialised in manufacturing large batch sizes and are thus able to deliver lower costs due to campaign production and lower changeover time. Plugging in new API vendors, which provide cost savings.
- Rationalised the portfolio to reduce sales of low profitability products. Products were evaluated using marginal costs to ensure adequate margins are earned.

KPIs: 1. USFDA clearance of facilities | 2. ANDA filings | 3. Product Launches | 4. Market Share | 5. Implementation of Cost Optimisation Measures

Performance Highlights

11th Rank among Indian players in the US market

16 Products ranked among the top 3 players

2 Abbreviated new drug applications filed during the year

38 (including 4 TAs) Abbreviated new drug applications pending approval

8.7% Market share in the covered market

ST2 Create sustainable and profitable growth by investing in new markets to develop them as tomorrow's growth engines.

Capitals Deployed

ROW Business

The Company focuses on strengthening its market share in core geographies through strategic initiatives aimed at brand building and expansion. This involves a multi-faceted approach focused on enhancing presence in key therapeutic areas (TAs) and leveraging new product launches to penetrate target segments. Key elements of this strategy include:

- **Brand Building and Scientific-Driven Activities:** Emphasis on building strong brands through scientific-driven activities to enhance credibility and trust among healthcare professionals and consumers.
- **Expansion in Chronic Therapeutic Areas:** Strategic introduction of new products in core therapeutic areas such as CNS, CV and GI to further enhance market coverage and market share.
- **Focus on Diabetic Segment:** Expansion of presence in the diabetic segment through the introduction of DPP4s to tap into the growing market demand for diabetes management solutions.
- **Strategic Expansion in Core Countries:** Intensified efforts to expand presence in core countries like the Philippines, Sri Lanka, Russia, and Nepal to increase market reach and solidify market share.
- **Future Growth Prospects:** Targeting key emerging markets such as Thailand, Vietnam, and Australia for future growth opportunities, with a focus on new launches and the initiation of the business-to-consumer (B2C) segment.

During 2023-24, Torrent set up operations in Colombia in Latin America. For the last three years, the Company has been submitting its current portfolio to the regulatory authorities for approval, and the product approvals are already flowing in. The Company intends to hire a small commercial team in the country and participate in both the institutional and retail markets. The combined market size of Colombia and Chile is about 5 billion USD, and they are growing in the mid-single digits.

Focus Areas

- Leverage the existing product pipeline to expand and reinforce its presence in other growing markets.
- Venture into new markets by pivoting an already proven business model and go-to-market strategies from existing markets.
- Incrementally invest in other existing as well as new markets to develop them as growth engines over the medium to long term.
- Torrent Pharma has identified the Philippines, Mexico, Russia, Malaysia, and the UK, as well as LATAM, as second-tier markets for incremental capital allocation and to build them as growth engines over the long run.
- Additionally, Torrent Pharma has been continuously scanning the global pharma landscape to identify newer markets for market-entry.

KPIs: 1. Revenue Growth | 2. New Markets | 3. New Launches | 4. Collaborations

Strategic Priorities

ST3 Drive Operational Excellence with Focus on Quality, Productivity, and cost competitiveness.

Capitals Deployed

Focus Areas

Building a Robust Supply Chain

- Ensure supply continuity through alternate sourcing and manufacturing strategies. Leverage digitalisation to enhance visibility and agility in the supply chain, ensuring a timely response to disruptions.
- Drive productivity enhancement and cost competitiveness across manufacturing operations and procurement.
- Adopt digital technologies, such as automation and data analytics, to optimise processes.

Optimise R&D Efficiency

- Maintaining a market-centric portfolio and fostering a culture of disciplined innovation.
- Utilise digital tools and platforms to streamline R&D processes, accelerate product development, and enhance collaboration.

Continue to Strive for Excellence in Quality

- Reinforcing a strong quality culture supported by robust governance structures.
- Integrating connected technologies and reducing manual interventions.
- Leveraging digital quality management systems for real-time monitoring and compliance.

KPIs: 1. Monitoring Quality Matrix | 2. Product/Customer Complaint | 3. Per Unit Cost

ST4 Build engaged and empowered workforce with focus on leadership, innovation and productivity

Capitals Deployed

Focus Areas

Foster Employee Growth and Development

- Nurture leadership talent with an entrepreneurial mindset through succession planning at each level.
- Implement structured coaching programmes with 360-degree feedback to support personal and professional growth.
- Enhance training and development initiatives to ensure continuous learning and skill enhancement.

Cultivate a Culture of 'Disciplined Innovation'

- Encourage innovation while balancing risk-taking and productivity.
- Foster learning through ideation and experimentation, empowering employees to explore new ideas and approaches.

Enhance Sales Effectiveness

- Improve 'in-clinic effectiveness' through a therapeutic-focused sales structure.
- Implement focused sales training programmes to enhance sales skills and techniques.
- Ensure high employee engagement to maximise productivity and customer satisfaction.

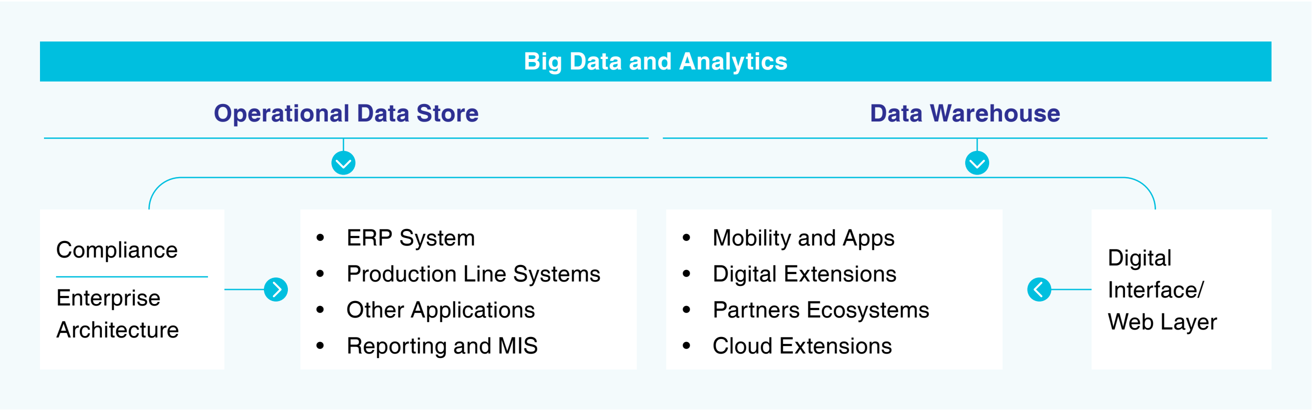
KPIs: 1. Leadership Pipeline | 2. Productivity Metrics across R&D, Operations and Sales

Strategic Priorities

ST5 Deploy Digital Technologies to Drive Business Model Improvements

Capitals Deployed

Torrent Pharma has built its technology stack on three pillars: Information Security, Enterprise Architecture, and Compliance. These pillars ensure a regulated atmosphere that promotes growth, sustainability, and transformation, ultimately leading to the achievement of strategic goals such as better business performance, productivity, quality, cost optimisation, and a superior customer experience. At the centre of this framework lies the state-of-the-art ERP, which integrates all other systems (including manufacturing and other applications), backed by a strong MIS and analytics structure.



Information Security

To keep up with the changing dynamics of the industry and to integrate with external players and systems, the digital interface and web layer are employed to provide a regulated mechanism for both internal and external communication. This layer also addresses the interfaces for public cloud-based applications and mobile app stores. The architecture supports the strategic IT roadmap initiative and accelerates the introduction of emerging technologies as well as external interfaces, forming the basis for fast experimentation and proofs of concept. These factors are critical to the adoption of Pharma 4.0 initiatives.

Implementing Automated Manufacturing Execution System

Torrent Pharma has successfully implemented a fully automated Manufacturing Execution System (MES) at Dahej Facility. This system seamlessly integrates with all supportive systems, including Training Management, SAP, and QMS (Track wise), resulting in enhanced process controls and the elimination of human errors. MES enables real-time visibility of production activities, facilitating monitoring and management from raw materials to finished goods. Advanced features such as automated data collection and analysis have significantly improved the efficiency and accuracy of manufacturing processes.

Focus Areas

- Invest in technology to establish a sturdy, scalable, and accessible framework that facilitates the adoption of emerging technologies and supports transformation.
- Utilise emerging technologies to achieve a competitive edge in various business verticals.
- Execute technology projects under the governance framework of information security, infrastructure management, and compliance.
- Continue to explore digitalisation opportunities to enhance operational excellence, particularly in manufacturing operations.

KPIs: 1. IT Spend | 2. IT Strategy Roadmap

ST6 Enhance Responsible Actions by Integrated Sustainability across Business Operations

Capitals Deployed

Overview

Torrent Pharma places a strong emphasis on sustainability, recognising its significance for stakeholders, the environment, and society at large. This strategic pillar underscores the Company's commitment to responsible action across all its operations. As a conscientious organisation, Torrent Pharma is dedicated to safeguarding the environment and the communities in which it operates. It proactively implements measures to minimise the adverse impact of its business activities while striving to create lasting positive impacts beyond mere profitability.

The Company consistently endeavours to mitigate and compensate for the environmental and social effects of its operations. It adheres to stringent practices aimed at reducing its carbon footprint, conserving natural resources, and promoting community well-being. Moreover, Torrent Pharma is committed to fostering sustainability through innovation and collaboration, continuously seeking opportunities to enhance its environmental performance and social responsibility.

As part of its sustainability initiatives, Torrent Pharma utilises a bio-briquette boiler to reduce its environmental footprint and promote cleaner energy usage. This innovative technology not only reduces the company's reliance on traditional fossil fuels but also contributes to lower emissions and improved air quality.

Focus Areas

- Carbon Emissions and Energy requirements
- Water Stewardship
- Waste Management
- Responsible Communication

KPIs:
1. GHG Emissions (Scope 1 and Scope 2)
2. Water Withdrawal
3. Waste Recycled
4. No. of Internal Newsletter
5. No. of External Disclosures

Risk Management

Managing Risks with Prudence

Torrent Pharma proactively identifies potential risks and responds prudently with appropriate plans to deliver consistent value to stakeholders. Over time, its risk management approach has evolved into an integrated and continuous process through the deployment of an organisation-wide Enterprise Risk Management (ERM) framework.

This framework has become integral to our strategy for enhancing stakeholder value, and we have embedded it in the governance and decision-making processes. Through our risk management process, we proactively monitor potential risks surrounding the business and implement adequate measures to mitigate their impact. Additionally, the risk management exercise provides a basis for management to make sound decisions.

Risk Management Process

The Company holds regular discussions with the functional heads to assess and deliberate on potential risks and opportunities arising from the market forces and the political, economic, regulatory, technological, and environmental changes that spur them. The Company has tasked them with identifying potential risks in the areas of operation and presenting mitigation strategies to the management for consideration. A comprehensive risk register is continuously updated to capture new risks, assess their likelihood of occurrence, and determine their possible impacts of internal and external changes.

ERM Framework

Business activities inherently involve risk-taking, and an integrated risk management framework is necessary to identify, monitor, and minimise the adverse impact of risks across business operations consistently, collaboratively, and comprehensively. The risk appetite depends on the acceptable level of risks, required to achieve Torrent Pharma's business objectives. The Company has broadly categorised the risks as strategic, operational, financial, and compliance, based on their nature, with communication and training being essential components of the framework.

Torrent Pharma has implemented the Enterprise Risk Management (ERM) framework through a Risk Management Committee (RMC) that includes risk owners across the Company, like the functional heads, subsidiaries, and manufacturing facilities. The ERM framework is integrated into the Company's strategy and performance, to ensure they are integral to the decision-making processes.

Risk Governance

The Board of Directors at Torrent Pharma oversee risk governance through the RMC of the Company, which operates directly under the board. The RMC reviews and enhances the Company's risk management policies and processes. The RMC also evaluates the risk potential it faces, and monitors the progress of mitigation plans. The Chief Risk Officer (CRO) leads the ERM team, which reports directly to the board on implementing mitigation strategies and their impacts. Torrent Pharma has adopted a bottom-up and top-down approach to drive effective enterprise risk management.

Alignment with the COSO Framework

Although risk assessment is a continuous exercise, Torrent Pharma underwent an independent and thorough review of ERM framework under the guidance of the COSO framework. The review consisted of the following:

- Alignment of risk management policy with COSO framework
- Revisiting risk appetite
- Risk profiling based on discussions with key stakeholders (including updating the risk register and including newly identified risks)
- Comparison with the industry and external global factors
- Risk assessment (including prioritisation) based on inherent and residual criteria
- Consolidating the outcome in the form of a risk register

At Torrent Pharma, the RMC have aligned risk management practices with the contemporary COSO framework. However, the Company's risk profile did not undergo any significant changes.

Risk Management

Enterprise Risk Management

Competition Risk

The Company faces challenges in driving market share improvements due to intense competition and the threat of new entrants in its key markets and therapeutic segments. This increased competition pressures costs and margins.

Mitigation Strategies

Branded Generics Markets

- Adopting a specialty-driven approach and building robust brands to boost prescription stickiness.
- Offering innovative products in diverse dosage forms and fixed dosage combinations, to cater to the evolving needs of patients.
- Differentiating our products through scientific promotion, delivery of quality products, and competitive pricing.
- Implementing a therapeutic-focused sales structure with low attrition to ensure effective sales efforts, high in-clinic effectiveness, and improved brand equity.

Generics Markets

- Ensuring a robust and agile supply chain and manufacturing infrastructure to confirm supply continuity.
- Incremental investment in R&D on complex drugs, diversified dosage forms, and value-added generics to optimise the portfolio.
- Continuously optimising cost structures and manufacturing productivity to stay competitive on pricing while sustaining margins.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST1 ST2	M1 M2	

Commoditisation Risk

The regulators across the markets are encouraging the use of generic products through various initiatives. This development may impact future business.

Mitigation Strategies

Continuous monitoring of the regulatory landscape and being proactive to drive business model changes, as and when necessitated.

The Company diversifies its business portfolio by entering the trade generics segment, ensuring it remains distinct from the existing BGx segment.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST1	M1 M2	

Pricing Control Risk

Regulatory agencies of various markets, particularly BGx markets, regulate prices by capping the drug prices or defining a ceiling for price increases. For example, the Government of India regulates drug prices by expanding the National List of Essential Medicines.

Mitigation Strategies

The risk of price regulation is systemic, the impact of which is mitigated through continuous portfolio optimisation and various cost initiatives to sustain margins. In India, the Company has only 7.50% of its total portfolio under price control versus 18% for the industry.

The recent revision of the National List of Essential Medicines had minimal impact on portfolio under price control.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST1	M1 M2	

R&D Risk

Challenges and uncertainties are inherent in innovating and developing new and improved products and technologies, on which the Company's continued growth and success depends. These include uncertainty of clinical outcomes, additional analysis of existing clinical data, obtaining regulatory approvals, health plan coverage, customer access, and continued commercial success.

Mitigation Strategies

Torrent Pharma manages the risks related to the launch of products and their regulatory approvals via thorough market research, detailed project planning, and continuous monitoring. The Company seeks to mitigate these risks by seeking suitable alliances with partners at appropriate stages to share the risks and rewards of the project while continuing to strengthen core product development pipeline.

The Company is also evaluating the feasibility of entering markets outside India, where it has a good understanding of the branded product space. It complements its R&D activities with insurance programs tailored to the specific nature and risk profiles.

Strategic themes linked	Materials issues impacted	Capitals deployed
ST1 ST2 ST3	M2	

Risk Management

Compliance Risk

The Company operates in different geographies, each with varying regulatory landscapes that continuously evolve, change, and undergo increased scrutiny from the regulators. Failure to comply with regulations or scrutiny can dilute its financial position or jeopardise the reputation.

Mitigation Strategies

- The Company manages regulatory risks through a robust governance mechanism based on a 'zero tolerance to non compliance' philosophy, implementing it through regular assessments of regulatory and compliance requirements.
- Robust internal controls.
- Compliance with management systems is ensured by continuous monitoring.
- Internal communication and training on various laws and regulations, including ethics standards and compliance systems.
- Independent assessments and audits.
- Monitoring of legal and regulatory compliances by senior management and the board.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST1 ST2 ST3	M7 M8	

Quality and Product Liability Risk

Quality risk entails failure to comply with GxP (good laboratory practices, good manufacturing practices, and good clinical practices). Product liability risk stems from concerns about efficacy or safety, potentially resulting in withdrawals, recalls, regulatory action on the part of the United States Food and Drug Administration (or its international counterparts), declining sales, reputational damage, increased litigation, and increased litigation expenses.

Mitigation Strategies

- 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 systems.
- Audits by the quality assurance department for high-quality products.
- Robust pharmacovigilance function responsible for monitoring and managing the safety of all the products throughout the product lifecycle.
- A comprehensive approach ensures the redressal of drug safety-related complaints over products with favourable risk-benefit profiles. There is adequate insurance coverage for clinical and product liability.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST3 ST1	M1 M8	

Overseas Markets Risk

The Company's presence in different overseas territories and markets exposes it to geopolitical, economic, and currency fluctuation risks, potentially impacting earnings, cash flows, or net equity.

Mitigation Strategies

Geopolitical, economic, or regulatory risks are mitigated through due diligence during new investments in any market. The Company continually assesses these risks through management oversight and takes appropriate investment or divestment decisions wherever necessary.

To mitigate the impact of currency fluctuations, the Company has developed a foreign exchange risk management policy and hedged currency exposures through long-term derivative instruments.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST1 ST2	M1	

Risk Management

Environmental, Social and Governance Risk

The Company must sustain growth in an evolving global ecosystem with unpredictable externalities. Hence, the Company aims to holistically enhance stakeholder value, while striving to mitigate risks associated with climate change. Sustainable value creation can no longer be agnostic of ESG risks, which have evolved as a new yardstick in addition to profitability and capital efficiency returns.

Mitigation Strategies

The Company embarked on a structured process to better understand and manage evolving ESG risks. This approach includes adopting a structured ESG framework and strategy based on GRI, SASB, and UN SDGs, among others.

- The Company has designed a strategy with four core ESG pillars, i.e., responsible consumption, responsible practices, responsible communication, and responsible supply chain, that will enable it to catalyse growth in a manner that maximises stakeholders' value consistently and sustainably.
- The Company has also instituted suitable governance processes to monitor the progression and mitigation of ESG risks regularly.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST3 ST4 ST5	M3 M4 M5 M6	

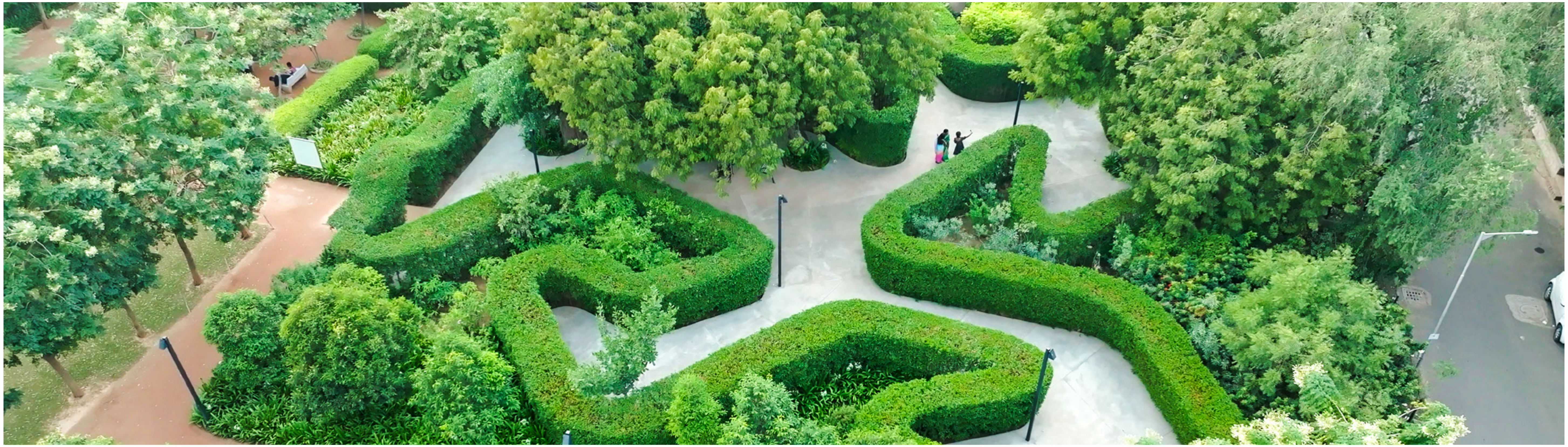
Information Technology Risk

Risk of loss or disclosure of trade secrets, confidential or proprietary information to competitors, or unauthorised sources, including external attacks on the Company's IT network.

Mitigation Strategies

- Complete IT Framework with ISMS policies are defined and implemented. A multi-layer control mechanism is in place, to implement "security-in-layers" model.
- The data on the network or on the servers is guarded by access control at the domain level. Unauthorised access is restricted. The Company has restricted administrator privileges to end users. Systems are adequately secured to constrain the access and use of data.
- Vulnerability Assessment and Penetration Testing has been enhanced with Red Team/Blue Team exercises.
- Best-in-class email O-365 is implemented with Zero Day Attack protection.
- The Company is planning to implement a Remote-SOC for further security enhancement.

Strategic Themes Linked	Materials Issues Impacted	Capitals Deployed
ST5	M7 M8	



Financial Capital

Delivering Sustainable Growth and Value to Stakeholders

At Torrent Pharma, the enterprise value has consistently increased through financial prudence, sustained margin improvement, and capital efficiency. Over time, the Company has prudently balanced capital allocation between organic and inorganic opportunities. The efficient turning around inorganic investments through steadfast execution and implementation of synergies have been pivotal in enhancing shareholders' value in the long run.

Highlights

12% Revenue growth

19% Operating EBITDA growth

Stakeholders in Focus

Materials Issues Addressed

M7 M8

Strategic Themes

ST1 ST2 ST3

Alignment with UN SDGs

Economic value creation (₹ in crores)

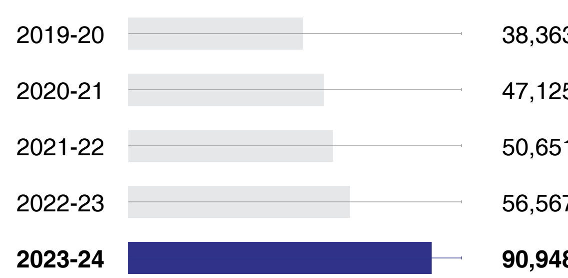
Our Direct Economic Value Creation	2023-24	2022-23
Direct Economic Value Generated	**10,786**	**9,665**
Revenues Generated*	10,786	9,665
Direct Economic Value Distributed	**9,999**	**9,055**
Operating Cost	6,140	5,765
Employee Wages and Benefits	1,984	1,678
Payment to Providers of Capital	1,369	1,196
Payment to Government	462	374
Community Investment	44	42
Direct Economic Value Retained	**787**	**610**

* Excluding exceptional item gain

Stakeholders' Value

Torrent Pharma has invested in organic and inorganic opportunities, turning its investments cash accretive in the initial years. Over the last decade, the Company's market capitalisation has experienced remarkable CAGR of 25.8%, from ₹89 billion as at March 31, 2014 to ₹880 billion as at March 31, 2024. The Company has, over the last five years, delivered an annual accretion of 19% Compounded Annual Growth in terms of Enterprise Value.

Enterprise Value (₹ in crores)



Revenue

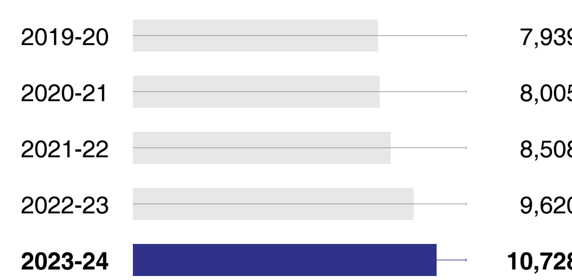
Long term trends

Over the period of five years, the revenues have grown by 7% aided by growth momentum in branded generic business, successful turnaround of inorganic investments, and steady growth in Generic markets. The US revenue were impacted due to price erosion of base portfolio combined with lack of new approvals pending inspection of facilities approved for the US Market. Excluding US, the five years growth has been 10%.

2023-24

2023-24 witnessed a strong growth across branded generic markets complemented by steady growth in generic markets. India and Brazil registered strong growth aided by market share gain, new product launches and field force expansion.

Revenue (₹ in crores)

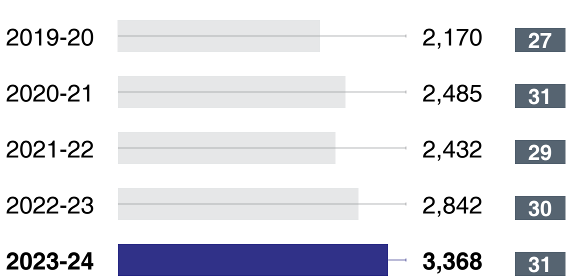


Financial Capital

Operating EBITDA

Efficient capital allocation across organic and inorganic opportunities combined with operating leverage play-out, cost optimisation, and improvement in in-clinic effectiveness, has resulted in consistent improvement in Operating EBITDA margins. In 2023-24, Op. EBITDA grew by 19% with gross margin improvement of 3%. Improvement was driven by higher share of branded generic markets and implementation of cost optimisation measures compensating the impact of price erosion on US base portfolio and incremental investment in terms of field force expansion.

Operating EBITDA (₹ in crores)

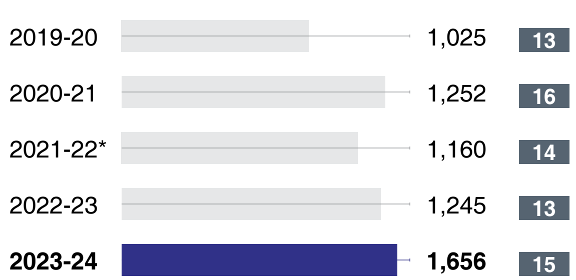


Operating EBITDA Margin (%)

Profit after Tax

Profit after tax has grown at a compounded annual growth of 18% over last five years.

Profit after Tax (₹ in crores)



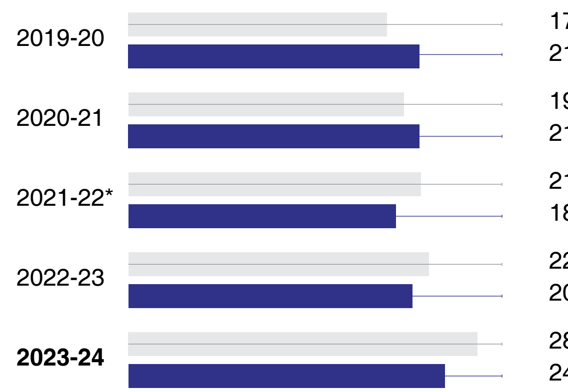
PAT Margin (%)

*Adjusted for exceptional items

Return on Capital Employed and Return on Equity

Over the years, Torrent Pharma has been prudent in its capital allocation across business segments with major focus on India. Financial prudence, together with sustained margin improvement, has resulted in a consistent improvement in capital efficiency and enhancement of shareholders' value. The Company is able to sustain returns even after multiple acquisitions in last few years and consistent dividend distribution.

ROCE and ROE (%)



Return on capital employed (ROCE)

Return on equity (ROE)

*Adjusted for exceptional items

Credit Ratings

The company's consistent ratings signify its ability to meet financial obligations and inspire confidence among investors and stakeholders.

The long term rating and short term ratings are as under:

Long term rating

AA+	**AA+**
ICRA (Stable)	IND (Stable)

Short term rating

A1+

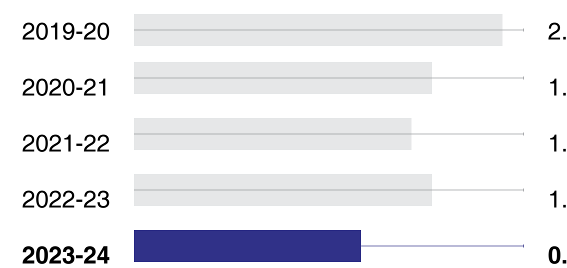
ICRA

Leverage (Net Debt/EBITDA)

As at end of 2023-24, leverage in terms of Net Debt to EBITDA stands at 0.9X.

During 2022-23, there was increase in debt due to acquisition of Curatio Health Care (I) Private Limited, scheduled repayments and the cash flow generation, resulted in reduction of leverage to 0.9X, which is further expected to reduce below 0.5X in coming year.

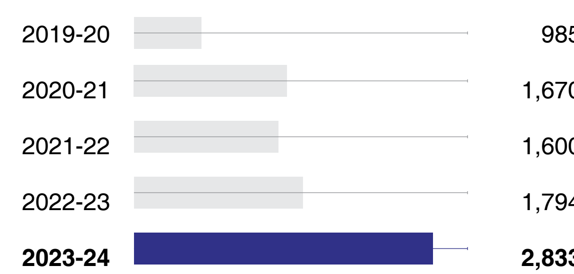
Leverage (Net Debt/EBITDA)



Free Cash Flow

Sustained margins and earnings growth, successful turnaround of acquired portfolio, has led to a compounded annual growth of 20% over last five years in free cash flows (FCF).

Free Cash Flow (₹ in crores)



Manufactured Capital

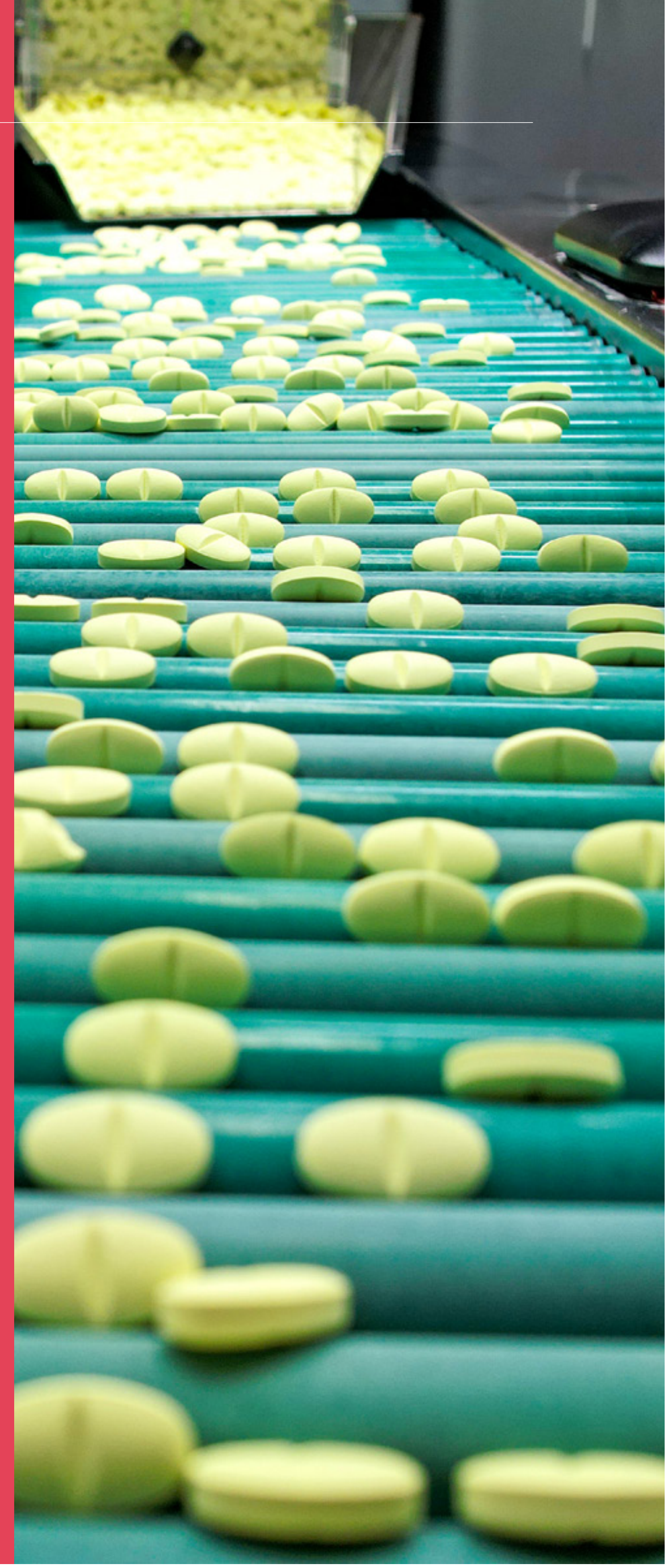
Robust Capabilities, Efficient Operations

Torrent Pharma is committed to delivering high-quality medicines to patients worldwide, prioritising both qualitative and quantitative aspects through robust manufacturing technologies and facilities. With eight state-of-the-art manufacturing facilities across India, Torrent Pharma ensures accessibility to its global customer base.

Highlights

8
Manufacturing facilities at various location in India serving 40+ countries

2,500+ Crores
Unit dosage formulations manufacturing capacity



Stakeholders in Focus

Materials Issues Addressed
M1 M7 M8

Strategic Themes
ST3 ST5 ST6

Alignment with UN SDGs

Manufacturing Facilities

With eight state-of-the-art manufacturing facilities strategically located across India, Torrent Pharma ensures the production of high-quality pharmaceutical formulations for both domestic and international markets. These facilities are equipped with advanced technology and hold approvals from regulatory authorities such as the USFDA, EU GMP, ANVISA, TGA, and WHO-GMP.

Advancing with Commercial Production at Bileshwarpura Facility

- **Venturing into a New Therapeutic Segment:** Torrent Pharma started commercial operations at its Oral Oncology facility in Bileshwarpura, Gujarat, following USFDA approval. This expansion into a novel therapeutic segment signifies a bold step towards innovation and growth.
- **First Product Launch:** Torrent Pharma launched its first oncology product in the US market from its new Bileshwarpura facility. The product received positive customer response.
- **Regulatory Clearance:** With clearances from both the USFDA and EU earlier in the year, the facility is poised for expanded market access, promising new geographies for growth.

API

INDRAD
- US FDA
- ANVISA (Brazil)
- TGA (Australia)
- WHO – GMP

DAHEJ
- US FDA
- WHO – GMP

VIZAG
- US FDA

Finished Dosage

OSD

INDRAD
- US FDA
- EU GMP
- ANVISA (Brazil)
- TGA(Australia)
- ROW
- MCC
- WHO - GMP

DAHEJ
- US FDA
- EU GMP
- ANVISA (Brazil)
- WHO – GMP

BADDI
- EU GMP
- TGA (Australia)
- ANVISA (Brazil)
- ROW

SIKKIM
- WHO – GMP

BILESHWARPURA
- US FDA
- EU GMP

Topicals

PITHAMPUR
- US FDA
- EU GMP
- WHO- GMP
- FDA-Thailand
- FDA-Philippines

Insulin

INDRAD
- WHO – GMP
- Novo Nordisk

Manufactured Capital

Enhancing Operational Efficiency

Operational flexibility and efficiency are crucial at Torrent Pharma, which are achieved through a combination of technological advancements and proactive measures. The Company continuously enhances safety, quality, and reliability across its manufacturing processes through investment in high-end and technologically advanced equipment in its existing facilities.

During 2023–24, the Company implemented several initiatives and projects across its manufacturing facilities.

Project/Initiative	Description	Benefits	Facility Location
Higher Capacity Blender Project	Installation of a new 4000Ltr blender.	Boosts productivity by enabling larger batch sizes, leading to improved economies of scale and cost efficiencies.	Baddi
Auto Coater Replacement	Replacement of the old coater with a new auto coater.	Improves productivity and quality by reducing processing time and ensuring uniform coating application.	Baddi
AWC-based Double Rotary High Throughput Compression Machines	Installation of AWC-based double-rotary high-throughput compression machines.	Increases productivity through faster compression rates and higher throughput, resulting in improved efficiency and quality of compressed products.	Baddi
Automation of Tray Dryers	Transition from manual tray dryers to automated tray dryers.	Enhances productivity and product quality by reducing manual intervention and ensuring consistent drying conditions.	Baddi
High Throughput Blister Packing Machine	Introduction of a new high-throughput blister packing machine to increase capacity for high-value brand Uni-enzyme, enhancing product quality.	Enhances product quality and increases capacity for blister packing.	Sikkim
Batch Size Increases, Packaging, and Yield Improvements	Increase in batch sizes for 20 high-volume SKUs and yield improvements for 80 SKUs.	Optimises operations by enabling larger batch production and improving yield, resulting in cost savings and enhanced productivity.	Baddi and Sikkim
Implementation of IQMS Software	Implementation of IQMS software for collecting and compiling manufacturing in-process test results improves storage, traceability, and data accessibility.	Enhances data management and analysis through a centralised software platform, leading to improved operational efficiency and decision-making.	Dahej
Clean-in-Place (CIP) System Installation	Installation of a CIP system for equipment ducts.	Ensures adherence to cleanliness standards and regulatory requirements, minimises contamination risks, and maintains product quality.	Dahej, Indrad and Bileshwarpura
Process Validations	Implementation of multiple process validations across various equipment.	Improves operational flexibility, ensures consistent product quality, and reinforces commitment to regulatory compliance.	Dahej

Project/Initiative	Description	Benefits	Facility Location
Operational Efficiency Analysis and Improvement	Analysis and improvement of processes to enhance operational efficiency, eliminate waste, and improve product quality.	Identifies and eliminates inefficiencies, reduces wastage, and enhances product quality, leading to improved operational performance.	Indrad and Bileshwarpura
Adoption of Green Initiatives	Implementation of green initiatives including renewable energy sources, waste utilisation, and plastic reduction.	Demonstrates commitment to corporate responsibility and sustainability, reduces environmental impact, and enhances brand reputation.	Indrad and Bileshwarpura
Secondary Packing Line Automation	Automation of the secondary packing line with a cartonator for manpower savings, improved quality, and cost savings.	Reduces manual intervention, increases capacity, saves manpower, improves quality, and saves costs through automation of the secondary packing line.	Pithampur
Installation of SCADA System	Installation of a SCADA system for robust process control.	Improves process control, enhances data accuracy, reduces manual intervention, and ensures high-quality batch processing through SCADA system installation.	Pithampur
Airless Filling Machine Deployment	Deployment of airless filling machines for zero manual intervention, integrated processes, digitisation, and efficient workforce utilisation.	Ensures zero manual intervention, integrates processes, facilitates digitisation, and optimises workforce utilisation through airless filling machine deployment.	Pithampur
Oven Replacement with Transfer System	Replacement of the oven with a transfer system for zero manual intervention, improved productivity, safety, cleanliness, and high-quality transfer.	Ensures zero manual intervention, enhances productivity, safety, cleanliness, and quality transfer through oven replacement with a transfer system.	Pithampur

Manufactured Capital

Sustainable Manufacturing

Torrent Pharma demonstrates its commitment to environmental stewardship by prioritising sustainability in its manufacturing practices. With a focus on reducing its carbon footprint and promoting greener operations, the Company adopts innovative solutions and green technologies to minimise environmental impact. Through strategic initiatives aimed at reducing fossil fuel consumption, implementing renewable energy sources, and adopting energy-efficient equipment, the Company strives to build a sustainable future.

Project/Initiative	Description	Benefits	Facility Location
Biomass-based Boiler Installation	Installation of an 8 TPH biomass-based boiler at Baddi, replacing existing LSHS-based boilers, resulted in the saving of 2000 metric tonnes of fossil fuel (LSHS) per year and promoted environmental sustainability. The installation of biomass-based boilers at Indrad and Dahej led to significant reductions in LSHS and natural gas consumption and corresponding reductions in Scope 1 emissions.	Promotes environmental sustainability, reduces reliance on fossil fuels, lowers emissions, and contributes to carbon footprint reduction.	Baddi, Indrad, and Dahej
Low Temperature Evaporator (LTE)	Installation of LTE to treat high TDS effluent, enabling the recovery and recycling of water for use in boiler and cooling tower operations, reducing water consumption, and promoting sustainability.	Reduces water consumption, enables water recycling, promotes sustainability, and enhances operational efficiency.	Baddi
Hybrid Energy Generation	Initiation of hybrid energy generation projects comprising solar power plants and windmills, leading to a substantial reduction in Scope 2 emissions and promoting renewable energy utilisation.	Reduces emissions, promotes renewable energy utilisation, enhances energy sustainability, and contributes to environmental conservation.	Various Locations
Energy-saving Equipment Installation	Implementation of energy-saving equipment such as LED lights, sensors for ACs, and variable frequency drives (VFD) at various facilities.	Reduces energy consumption, lowers operational costs, enhances operational efficiency, and promotes sustainability through the adoption of energy-saving technologies.	Various Locations

Quality Assurance and Regulatory Compliance

Torrent Pharma maintains stringent quality standards and regulatory compliance through continuous improvement initiatives and prompt action on audit findings. Adherence to global guidelines and rigorous quality audits ensure the delivery of safe and effective medications to patients worldwide.

Zero Tolerance for Non-Compliance

Torrent Pharma prioritises regulatory compliance and quality standards through a stringent governance framework built on the principle of 'zero tolerance for non-compliance'. This commitment is upheld through:

- Regular assessment and updating of the Global Quality System to meet evolving regulatory requirements.
- Implementation of robust internal controls adhering to Good Manufacturing Practices (GMP) standards and independent quality assurance systems.
- The Company conducts Internal Quality Audits and Self-inspections, overseen respectively by the Corporate Quality Assurance department and site Quality Assurance department, along with cross-functional teams of subject matter experts (SMEs). These measures ensure adherence to high-quality Current Good Manufacturing Practice (cGMP).
- Management Review Meetings for quality are held periodically to evaluate site health and identify areas for improvement.
- Coaching and training sessions are integral to the continuous improvement process, enhancing awareness of quality systems and product quality among manufacturing plant personnel.

Additionally, the Company takes proactive measures to prevent the occurrence of any instances of product recalls. This includes revising and refining manufacturing processes and critical steps, adjusting packaging configurations and materials, as well as bolstering control strategies through increased testing frequency. Furthermore, we undertake measures to adjust product shelf life as necessary to maintain high-quality standards.

USFDA Clearance of Oncology Facility

The Oncology Oral Solid manufacturing facility at Bileshwarpura underwent a USFDA Pre-Approval Inspection (PAI) in December 2023 for capsule dosage forms. The agency issued a Form FDA-483 with five procedural observations related to oncology product operations. No repeat issues or data integrity issues were identified.

In response, the Company promptly addressed the observations by revising Standard Operating Procedures (SOPs) and Analytical Testing Methods, and enhancing preventive maintenance and line clearance procedures. These actions were implemented across all Torrent Pharma's sites. The Company submitted the compliance response within the stipulated time period. The inspection was successfully closed following the receipt of an Establishment Inspection Report (EIR)

Manufactured Capital

Clearance of the Dahej Facility from USFDA

Torrent Pharma's Dahej facility received clearance from the US FDA. During an inspection in May 2023, the agency identified two procedural observations. In response, the Company promptly initiated corrective actions and implemented a comprehensive long-term remediation plan.
In August 2023, the agency issued an Establishment Inspection Report (EIR), officially closing the inspection with a classification of Voluntary Action Indicated (VAI). This clearance ensures compliance with regulatory standards and opens new avenues for business opportunities.

Supply Chain Continuity and Sustainability

Torrent Pharma takes a proactive approach to ensure continuity of supply of its products and mitigate risks associated with capacity constraints. Through the qualification of alternate manufacturing sites and strategic partnerships, Torrent Pharma maintains control over its supply chain while meeting increasing market demand.

Enhancing Flexibility for Supply chain continuity

In response to growing market demand and to enhance long-term capacity, the Company is continuously evaluating alternate manufacturing sites for its key products. The existing flexibility of in-house manufacturing locations at Indrad, Dahej, and Baddi is being further strengthened by engaging Contract Manufacturing Organisations (CMOs) for high-volume products such as Escitalopram, Citalopram, and Zolpidem. Moreover, the Company is proactively investing in key equipment and qualifying additional manufacturing areas with larger batch sizes to ensure consistent supply over the long term.

Torrent Pharma conducts quarterly meetings at the top management level to analyse supply chain performance and drive continuous improvement initiatives. These meetings serve as a crucial platform to review key performance indicators such as inventory cover, potential stockouts, and air/sea ratios. Through rigorous assessment and decision-making, the Company identifies and addresses challenges, optimising inventory management and other aspects of the supply chain to enhance top-line and bottom-line performance.

Ensuring Quality Standards in Partnerships

Torrent Pharma partners with suppliers, especially for products like injectables, with a strong focus on maintaining high-quality standards and control over the supply chain. The Company's dedicated quality team evaluates external manufacturing sources to ensure compliance with global quality guidelines. Regular quality audits at partner locations and rigorous testing of all supplies before market release ensure consistent quality standards and product integrity.

Transforming Operations through Pharma 4.0

Embracing Pharma 4.0 principles, digitalisation, and automation, the Company has revolutionised its operations at Dahej. This strategic move has optimised processes, minimised manual intervention, and boosted efficiency and scalability. With an eye on the future, the Company is integrating AI, ML, and IoT to drive even higher levels of automation, optimisation, and decision-making, setting the stage for Pharma 5.0.

Automated MES System at the Dahej Facility

At the Dahej Facility, the Company has implemented a fully automated Manufacturing Execution System (MES), ushering in the era of IoT and big data generation. Integrated seamlessly with key systems like Training Management, SAP, and QMS, Torrent Pharma's MES ensure enhanced process control and error elimination. From raw materials to finished goods, real-time visibility and data acquisition empower the team to oversee every aspect of production. Advanced features like automated data collection have elevated efficiency and accuracy, paving the way for Industry 5.0 with robotic manufacturing area cleaning and automated duct cleaning.

Intellectual Capital

Advancing Patient Care through Innovation

Amidst the evolving pharmaceutical landscape, Torrent Pharma is committed to enhancing patients' lives by addressing unmet medical needs through innovation. With a strategic focus on complex therapeutic areas, the Company strives to develop groundbreaking solutions and drive initiatives that elevate patient care and accessibility.

Highlights

₹527 crores
R&D expenditure

38
Patents filed

782
Scientists

122
Projects under development

167
Support staff

Stakeholders in Focus

Materials Issues Addressed

M1 M2

Strategic Themes

ST3 ST4 ST5

Alignment with UN SDGs

Advancement in developing Novel Fixed-Dose Combinations (FDC)

Torrent Pharma has made significant progress in identifying and developing several new FDCs, including some first-in-India combinations, through rigorous evaluations by cross-functional teams. These evaluations assess the rationality of the combinations from various perspectives, including input from clinical experts. The purpose of these FDCs is to address the unmet medical needs of patients, particularly those with poor compliance, with co-administered treatments for co-existing conditions such as type 2 diabetes, hypertension, and cardiac issues, due to the high pill burden associated with these treatments. Additionally, the Company is actively developing novel FDCs in other critical therapeutic areas, including the Central Nervous System (CNS) and Gastrointestinal (GI).

Intellectual Property

Torrent Pharma values Intellectual Property (IP) rights for fostering innovation, ensuring market exclusivity, and safeguarding research efforts. With a commitment to patient-centric research and development, the Company invests in new technologies to enrich its branded portfolio. IP rights protection is integral to the Company's strategy, sustaining its competitive edge and incentivising further investment. This approach secures the Company's position as an industry leader, while advancing patient care.

In 2023–24, Torrent Pharma continued its focus on advancing new technologies, novel synthesis methods, and innovative drug delivery systems (NDDS).

38 NDDS
Patents granted in 2023-24

684
Total patents granted out of 1,274 patent applications submitted to date

02
API/Process/formulation Patents secured in 2023-24

Accessibility and Affordability

Torrent Pharma is committed to ensuring accessibility and affordability by focusing on complex generics primarily in the CNS, Cardio, Diabetes, Pain, GI, VMN, and Cosmetics categories. By offering advanced alternatives to patients and expanding the availability of sub-therapies, Torrent Pharma enhances its business potential while fulfilling its mission of providing cost-effective access to major therapies.

The Indian Patent Office granted a patent to Torrent Pharma for its Tapentadol Nasal Spray viz. Patent No. 355890, valid for 20 years from 19th July, 2012. Consequently, the NPPA exempted the nasal spray from DPCO regulations for five years from its commercial marketing.

Intellectual Capital

In-house API R&D and Process Patenting

Torrent Pharma's in-house API R&D team is committed to developing novel, non-infringing, and cost-effective processes for complex generics, ensuring early access to essential medications. The team's strategic plans for patenting these processes demonstrate a commitment to innovation and sustainable growth.

Key Developments of 2023-24

- Developed novel process of an alternate polymorph and novel salt of an intermediate for FTF product, PCT application for both process and intermediate filed.
- Patent application filed for improved resolution process for API required for the ASAP FTF product.
- Developed an improved and cost-effective process for a MAO-B inhibitor, incorporating green chemistry and lean (in-situ) process principles to ensure freedom to operate in target geographies.
- Improvement of the process for an antiepileptic drug by utilising alternate and cheaper catalysts.
- Developed a cost-effective and commercially viable process for an API to treat chronic idiopathic constipation.

Pharmacovigilance and Drug Safety Assurance

Torrent Pharma prioritises product safety through meticulous clinical trials and a robust pharmacovigilance (PV) system, ensuring continuous monitoring from drug development to market availability. This proactive approach is crucial for identifying and addressing potential safety concerns promptly, thereby enhancing the overall safety profile of medicinal products.

Robust Pharmacovigilance System

- **Global Pharmacovigilance Team:** Torrent Pharma's global PV team oversees safety monitoring across all countries where the Company markets drugs. This integrated approach ensures uniformity and compliance with international standards.
- **Comprehensive Safety Database:** All safety information received by Torrent Pharma is processed in a validated global safety database, adhering to international guidelines, set by the International Council for Harmonisation (ICH). This centralised system enables the efficient capture, evaluation, and reporting of safety-related data.
- **Employee Training:** Torrent Pharma emphasises continuous training for all employees, to enhance awareness and understanding of their roles in pharmacovigilance. Annual PV training ensure employees remain vigilant when identifying and reporting adverse events.
- **Accessible Reporting Channels:** To facilitate seamless reporting of adverse events or product complaints, Torrent Pharma provides a dedicated 24/7 toll-free number and email on its website. Healthcare professionals and patients can utilise these channels to report safety-related incidents promptly. Stakeholders can reach the Company through the dedicated email address, pv@torrentpharma.com, and a toll-free number. Additionally, complaints can be logged on the website, providing convenient access for reporting any issues.

Key Developments of 2023-24

- Torrent Pharma achieved approximately 100% compliance with pharmacovigilance regulations globally. This demonstrates the Company's commitment to adhering to stringent safety standards across its operations.
- During the reporting period, no new safety signals or information were identified that could adversely affect the risk-benefit profile of any of Torrent Pharma's products. This showcases the effectiveness of the Company's pharmacovigilance efforts in ensuring the safety and well-being of patients.

Sustainable R&D Practices and Green Chemistry Initiatives

Torrent Pharma's Research and Development (R&D) efforts are deeply rooted in sustainability, with a strong commitment to developing manufacturing processes, that adhere to green chemistry principles and optimise resource utilisation. Through innovative approaches and the integration of eco-friendly methodologies, the Company aims to minimise environmental impact, while maximising efficiency in its production processes.

Key Developments of 2023-24

Cost-Effective Process Development: Torrent Pharma has successfully developed improved and cost-effective processes for APIs aimed at treating insomnia and epilepsy. These processes incorporate green chemistry and lean process principles, utilising in-situ and aqueous solvent-based reactions. By minimising resource consumption and waste generation, the Company ensures sustainable manufacturing practices without compromising product quality or efficacy.

Toxic Waste Elimination: In the development of sedative-hypnotic APIs, Torrent Pharma has eliminated the cyanation process, which traditionally results in the generation of toxic waste. By adopting alternative synthesis routes, Torrent Pharma mitigates environmental harm while producing safer and more sustainable medications.

Isomer Recovery and Racemisation: Torrent Pharma employs innovative strategies to address undesired isomer formation in APIs used to treat overactive bladder. Through racemisation processes, Torrent Pharma recovers and transforms undesired isomers into desired forms, reducing waste and optimising resource utilisation.

Optimised Catalyst Loading: In the development of a novel oral soluble guanylate cyclase stimulator, Torrent Pharma has implemented hydrogenation processes with the lowest possible loading of palladium catalyst at intermediate stages. This not only enhances process efficiency but also minimises the environmental footprint associated with catalyst usage.

Water-Based Purification: Torrent Pharma has pioneered the use of water-based purification processes for medications used to treat Parkinson's disease as an alternative to conventional organic solvent purification methods. This eco-friendly approach reduces solvent usage, minimises waste generation, and promotes sustainable manufacturing practices.

Intellectual Capital

Lifecycle Management for Efficiency

The Lifecycle Management (LCM) team at Torrent Pharma plays a pivotal role in steering the Company's products towards sustainable growth. The Company continually evaluates each product's financial performance and strives to enhance cost competitiveness through alternative API sources, backward integration, and optimisation of manufacturing processes. The in-house API team plays a vital role in this process, striving for efficiency improvements and greener practices.

Strategic Initiatives for Product Enhancement

- Torrent Pharma closely monitors both internal and external factors to gauge the competitive standing of its portfolio.
- The LCM team identifies areas for improvement and seizes opportunities for enhancement, ensuring Torrent Pharma's products stay ahead of the curve.
- Understanding the financial implications of efficiency improvements is a cornerstone of Torrent Pharma's strategy.
- The team analyses market trends and assesses Torrent Pharma's products in comparison to peers, guiding strategic decisions.
- The team ensures that concepts are swiftly executed to maintain the sustainability of Torrent Pharma's products.
- Torrent Pharma continuously collaborates with suppliers to drive innovation and improve efficiency.
- The LCM team defines launch and re-launch strategies based on market dynamics, pricing, and product positioning.
- Torrent Pharma explores opportunities to expand its product reach into new markets and reintroduce products at different stages of the business cycle.

Global Standards Compliance

Torrent Pharma's Research and Development (R&D) team maintains robust systems to ensure compliance with global standards, including:

- GLP
- ISO 50001:2018
- ISO 14001:2015
- ISO 45001:2018
- National Accreditation Board for Testing & Calibration Laboratories (NABL), India

The team conducts regular reviews to update systems in accordance with regulatory and quality requirements. It demonstrate commitment to quality, safety, and environmental responsibility across its operations.

Bio-evaluation Centre Accreditations

Torrent Pharma's Bio-evaluation Centre is a Drug Controller General (India) approved facility, which signifies technical competence and excellence in quality management. This recognition extends to regulatory agencies worldwide such as The Drug Controller General (India) (DCGI), ANVISA (BRAZIL) and Ministry of Health (UAE), and studies have been inspected and approved by the USFDA, AFFSAPS (France), DKMA (Denmark), and AGES (Austria), which have accredited Torrent Pharma's competency and capacity to meet global standards. These accreditations not only enhance the organisation's intellectual capital but also underscore its commitment to regulatory compliance and the highest standards of quality in pharmaceutical development.

Innovative Formulation Development

Torrent Pharma is committed to drive innovation in formulation development, focusing on both complex generics for global markets, and pioneering initiatives such as Novel Drug Delivery Systems (NDDS). Having complex generics of specialty drugs require a high level of expertise, that creates a significant entry barrier for new entrants in competitive markets, and help the Company differentiate its portfolio and improve profitability.

Complex Generics

The Company recognises that developing complex generics of specialty drugs require a high level of expertise. This complexity serves as a formidable entry barrier for new entrants in competitive markets, while enhancing Torrent Pharma's portfolio and profitability. Complex generics encompass various facets:

- **Complex Active Ingredients:** These include intricate mixtures of APIs and polymeric compounds, requiring advanced formulation expertise.
- **Complex Formulations:** Formulations such as liposomes, suspensions, emulsions, gels, parenteral microspheres, and colloids present unique challenges in formulation development.
- **Complex Routes of Delivery:** Locally acting drugs, including ophthalmic, optic, dermatological, and inhalational drugs, require specialised delivery systems for optimal efficacy.
- **Complex Dosage Forms:** Transdermal drugs, long-acting injectables, and implants necessitate precise formulation and manufacturing processes for consistent delivery and effectiveness.
- **Complex Drug-Device Combinations:** Products like metered-dose inhalers, nasal sprays, dry powder inhalers, and transdermal foams require sophisticated drug-device integration for reliable administration.

Driving Value through Complex Technologies

Torrent Pharma is committed to developing complex technologies that drive value in formulation development. This includes the creation of complex mixtures of APIs, polymeric compounds, liposomes, gels, long-acting injectables, nasal sprays, and foams. However, these advancements pose greater challenges in formulation development and require robust, upward-scalable production processes.

Astute portfolio selections and evaluation techniques

To identify value-creation opportunities, the Company relies on intelligent portfolio choices, rigorous product selections, and evaluation mechanisms. These processes are supported by strong science-based review processes and a dedicated clinical development strategy team. Additionally, manufacturing complex drugs require sophisticated machinery for tasks such as micronisation and encapsulation, both in laboratory and plant settings.

Innovating with Novel Drug Delivery Systems (NDDS)

NDDS has emerged as a crucial initiative for Torrent Pharma, leveraging new technology platforms to redesign existing drugs with different dosage forms, strengths, and alternative administration routes. This initiative aims to enhance the drug's performance in terms of efficacy, safety, and patient compliance through improved bioavailability, targeted drug delivery, and optimised dosing regimens. A selected team of highly skilled scientists is dedicated to developing an innovative portfolio of dosage forms within the realm of NDDS, combining modern technology with superior alternatives to conventional forms.

Human Capital

Nurturing a Robust and Diverse Workforce

Torrent Pharma is committed to nurturing the growth and well-being of its employees. It maintains a supportive workplace environment, fostering personal and professional development. Through various initiatives, the Company empowers its workforce, providing them with the necessary tools and opportunities to thrive.

Additionally, the Company continues to develop competencies to adopt new skills for a sustainable future. This effort has enabled it to cultivate an inclusive, multicultural organisation that promotes employee satisfaction, diversity, and a sense of belonging.

Highlights

16,000+
Total employees

50+
Specially abled employees

64%
Employees Upskilled

Stakeholders in Focus

Materials Issues Addressed
M5 M6 M7

Strategic Themes
ST4

Alignment with UN SDGs

Employee Value Proposition

Torrent Pharma recognises that the success of the Company stems from the collective efforts of its employees. During the year under review, Torrent Pharma implemented extensive policies and processes aimed at fostering employee growth while preventing bias and unethical practices. This approach has not only facilitated talent attraction but also contributed to maintaining a low attrition rate within the industry.

The Company places a strong focus on its employees' well-being and professional development, underscoring its commitment to fostering growth and transparency within the organisation.

HR Strategy

Skills and Capability

Ongoing learning and development opportunities, including competency development programmes, succession planning, and skill gap identification initiatives, to support employees' career advancement.

Equal Opportunity

A culture of equal opportunity that encourages inclusion and participation in decision-making, ensuring that all voices are heard. The Company extends benefits to contractual workers, enhances women's representation, and implements an equal opportunity policy.

Work Hygiene

Ethical and transparent practices promote a culture of accountability, including a Whistle-Blower Policy, a Code of Business Conduct, and the implementation of measures such as POSH to prevent harassment.

Wellness

A safe and supportive work environment prioritises employee safety and well-being. This includes Mediclaim coverage, financial benefits for accidents or demise, and fostering a culture of work-life balance, diversity, and inclusion.

Compensation

Fair and competitive compensation, including entry-level salaries aligned with industry standards, performance-based increments, and recognition programmes to acknowledge employee contributions.

Human Capital

Prioritising Employee Satisfaction

Torrent Pharma is committed to nurturing employee satisfaction through a diverse range of initiatives aimed at cultivating a positive work environment and culture.

Cultivating Connections through Engagement Initiatives

Sahyog

The HR Head actively engages with employees to seek feedback, address concerns, and facilitate open communication channels.

GEM – Gone the Extra Mile

This helps to recognise the outstanding contributions of employees. Every quarter, appreciation is awarded to employees.

Coffee with Site Head

This initiative offers employees the opportunity to interact with site leadership and voice their concerns. Employees feel assured that their concerns are heard and valued.

SAMPARK

The objective of the initiative is to interact with the new recruits at various intervals to maintain a connection with them, which is aimed at making them comfortable and retaining them. There are 3 modules in SAMPARK:

- **Orientation Feedback:** Employees who have completed one month after joining.
- **Comfort Feedback:** Employees who have completed three months after joining.
- **Retention Interaction Feedback:** Employees who have completed one year after joining.

UTKARSH

The programme promotes cultural integration by recognising employees who have demonstrated commitment to the core values.

Anubhav

Team bonding activity for sales employees, where the manager along with his team members plan a half-day outdoor activity, lunch, dinner, etc.

Baatcheet

Baatcheet sessions are interactive sessions for our existing employees of a particular department where HODs of the department along with HR would interact with their employees periodically.

Residential Colony for Dahej Employees

"Saptak" is a residential colony designed with the concept of harmony, accommodating employees hailing from various regions and states. The colony encompasses seven residential buildings named "Sa", "Re", "Ga", "Ma", "Pa", "Dha", "Ni", offering a total of 125 2BHK/3BHK flats. Its amenities include an indoor games area, a cafeteria, and a movie theatre with a capacity to accommodate up to 100 people. Nestled in a lush green campus spanning over 17 acres of land, "Saptak" boasts more than 1,800+ trees and an assortment of shrubs numbering over 32,000+. This natural setting provides residents with a serene environment akin to being embraced by nature. Located approximately 20 kilometres from the plant, the colony significantly reduces commute time, allowing employees to spend more quality time with themselves and their families. Residents spoke highly of their experience at "Saptak," praising its top-notch facilities and infrastructure.

Fostering Employee Wellbeing

Flexi Timing

The Company prioritises its employees' work-life balance by offering flexible working hours, catering to individual needs, and promoting both employee satisfaction and overall well-being.

Work Environment and Infrastructure

Investments in modern facilities help to ensure a comfortable and conducive workspace for employees, enhancing productivity and satisfaction.

Safety at Workplace

The Company prioritises maintaining a safe workplace to ensure the safety and well-being of employees, achieving an injury- and illness-free workplace.

Other Engagement Intiaitves

Festival Celebrations

Torrent Pharma celebrates a diverse array of festivals, including Republic Day and Independence Day, to foster inclusivity and to appreciate cultural diversity.

Employee Recognition

Exceptional performance is acknowledged and rewarded through various initiatives, motivating employees, and reinforcing desired behaviours.

- **Circle of Excellence:** For sales, the top 3 performers in the Business Manager's region are felicitated in the presence of their family members at their residence.

Employee Induction Experience

A comprehensive on-boarding process ensures new employees feel welcomed, informed, and prepared for success within the organisation.

Great Place to Work (GPTW) Survey

Following the GPTW survey, the Company developed a comprehensive action plan aimed at fostering a more positive work environment and enhancing employee satisfaction. Some of the key initiatives undertaken were:

SAMPARK: Facilitating open channels of communication between employees and HR to address their grievances and foster transparency.

SPANDAN: Organising team bonding activities and events to promote camaraderie and collaboration amongst employees.

Furthermore, the Company focused on training and development, recognition and rewards, fostering a culture of fun at work, and improving communication channels as key areas to address, based on the GPTW survey findings. These efforts aimed to enhance workplace satisfaction, boost employee morale, and strengthen organisational culture.

Human Capital

Leadership and Talent Development

Torrent Pharma recognises the pivotal role of effective leadership in achieving organisational objectives. The Company firmly believes that micromanagement, a lack of constructive feedback, and favouritism hinder employee growth and productivity. Therefore, Torrent Pharma promotes a leadership culture that values autonomy, transparency, and accountability. The Company places strong emphasis on delegation of authority and clear responsibility. Each department operates with a high level of autonomy and accountability, enabling employees to take ownership of their work and contribute to organisational success.

The Company believes that a positive and ethical work culture is crucial for the organisation. As part of this commitment, regular workshops on "Torrent Values" are conducted for employees to articulate and imbibe the Company's core values into their thoughts and actions.

Encouraging Open Communication

In line with its commitment to fostering a collaborative work environment, Torrent Pharma encourages open, two-way communication channels. These channels facilitate dialogue between leadership and employees, ensuring that concerns are addressed promptly and ideas are shared openly. This approach fosters a culture of trust and transparency, driving innovation and efficiency across the organisation.

Continuous Learning and Development

Torrent Pharma is committed to the professional growth and development of its employees. The Company offers a comprehensive range of training programmes and learning opportunities to enhance employee skills and competencies. By investing in continuous learning and development, the Company ensures that its workforce remains adaptable and equipped to navigate the evolving industry landscape.

Promoting Internal Talent

In the pharmaceutical industry, Torrent Pharma recognises the value of promoting talent from within. More than 50% managers in the Pharma division, working in the sales field are internally promoted, reflecting the Company's commitment to nurturing talent and fostering career advancement opportunities for its employees.

Comprehensive Performance Potential (CPP) Program

Torrent Pharma's Comprehensive Performance Potential (CPP) programme serves as a structured assessment centre for evaluating employee potential for advancement. Through this initiative, the Company identifies high-potential talent and provides tailored development opportunities to groom future leaders.

Safety Performance (Standalone)

Safety performance	2023-24 (No)
Total recordable injuries	3
No. of fatalities	0
Lost Time Injury Frequency Rate (LTIFR)	0.15

Ensuring Health, Safety, and Wellness of Employees

Torrent Pharma prioritises employee health, safety, and wellness through various proactive measures and initiatives. The Company also conducts internal audits to validate these initiatives, fostering a culture of well-being within its workforce.

Medical Check-ups and Health Talks

Torrent Pharma adheres to Standard Operating Procedures (SOPs) by conducting regular medical check-ups for employees, ensuring their health and well-being. Additionally, specific initiatives, such as health talks on topics like PCOS and infertility, have been organised for female employees to address their unique health needs.

Expert-led Seminars and Webinars

An online seminar was conducted by a certified expert in International Transportation, Planning, and Safety from IIT Delhi. The session focused on 'Corrective Action and Preventive Action — Road Accident' for field employees, enhancing their awareness and preparedness in road safety. Health webinars on stress management and maintaining a healthy heart were conducted by renowned experts.

Health Information System and Automated Reminders

In order to ensure timely health check-ups of its employees, Torrent Pharma utilises an automated follow-up reminder system within its health information system, ensuring proactive monitoring of employee health. Reminders for road safety and vehicle maintenance are sent to employees through the vehicle information system, promoting safe driving practices.

Training Initiatives

Cardiopulmonary Resuscitation (CPR) training sessions were conducted for employees at the Indrad facility, equipping them with life-saving skills in emergency situations.

Upholding Human Rights

Ensuring fair treatment of all employees is critical at Torrent Pharma, which reflects its commitment to upholding human rights across every facet of its operations. From recruitment to promotion and every interaction in between, the Company strives to cultivate an environment where each individual feels respected, valued, and empowered.

Human Rights Policy Implementation

The Company's Human Rights Policy outlines clear principles that govern its approach to employee treatment, including:

- Prohibiting practices such as child labour and forced labour
- Promoting diversity, equal opportunity, and non-discrimination
- Ensuring the health, safety, and well-being of employees
- Safeguarding aspects such as wages, working hours, leave benefits, recruitment, data privacy, community engagement, and workplace security

Violation Prevention
Clear guidelines are established to prevent violations of these principles, ensuring adherence to ethical standards and legal requirements.

Cybercrime Awareness
A cybersecurity awareness session was conducted to provide knowledge to employees on various cyber threats, the ability to detect potential threats, and taking measures to mitigate their effects to protect digital assets. It also highlighted possible cyber-attacks and their prevention methods.

5.20 lacs+
Manhours of Training

4,400+ employees
Health checks ups conducted

Human Capital

Enhancing Workforce Competency through Upskilling

In pursuit of excellence in employee performance, the Company implemented a range of targeted measures and initiatives to foster a culture of continuous learning and growth. These efforts included a diverse set of skills development programmes based on performance, ensuring that employees receive customised training to enhance their capabilities and achieve their full potential.

Diverse Training Initiatives

The Company offered comprehensive training programmes covering various domains, including technical skills, on-the-job training, behavioural skills, safety protocols, and knowledge-sharing sessions. These initiatives aim to equip employees with the necessary competencies to excel in their roles. The Company promotes a learning culture that encourages continuous skill development and knowledge acquisition, ensuring employees remain adaptable and well-prepared to navigate evolving industry demands.

Focused Skill Enhancement Programmes for Field Employees

Torrent Pharma recognises the crucial role of its field force and offers specialised programmes addressing their unique needs. These programmes include:

- MR Advance is aimed at cultivating a pool of talent for future managerial roles within the organisation.
- **Managerial Development Programme (MDP):** Facilitates seamless onboarding of both external hires and internal promotions, aligning them with expected managerial functions.
- **Leadership Development Programmes (LDP):** Provide targeted development opportunities for frontline and second-line managers to enhance their leadership capabilities and drive organisational success.

Performance Improvement Programme (PIP)

This programme targets below-average performers and offers structured interventions to enhance their performance. Key features of the PIP include:

- Personalised coaching sessions
- Regular feedback sessions
- Skill-building exercises tailored to individual needs

Notably, employees who participated in the programme observed improvements in their performance.

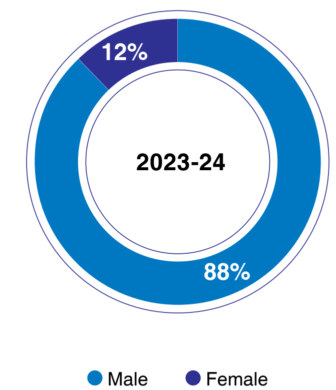
Diversity and Inclusion

Torrent Pharma plays a pivotal role in promoting diversity and inclusion within its workforce by providing equal opportunities to all employees, regardless of their gender, caste, age, or race, at every level of the organisation. Anchored by a robust human rights policy, the Company ensures strict adherence to principles of fairness and non-discrimination. This commitment extends beyond policy to create a culture where diversity is celebrated and valued, fostering an environment where every individual feels respected, included, and empowered to contribute to the Company's success.

Over 28%
Of our scientist at R&D facility are females

Over 23%
Of corporate office workforce consists of females

Gender diversity (in %)



Focusing on Increasing Female Employee Representation

Torrent Pharma is committed to fostering gender diversity and inclusivity through a set of initiatives aimed at increasing the representation of female employees to 15% by the year 2025, under the initiative ASMITA. These efforts align with the Company's vision to create a workplace where all employees have equal opportunities for growth and development, regardless of gender.

- **Equal Treatment and Opportunities:** To promote gender equality, the Company ensures equitable treatment and equal opportunities for female employees, including fair consideration during the promotion process.
- **Supportive Work Environment:** The Company extends comprehensive support to female employees, helping with transfers and mobility for those needing to relocate due to family reasons. Additionally, the Company provides sanitary and hygiene-related facilities and excellent crèche facilities for female employees with young children.

Female Employee-focused Initiatives

Sangini Programme: This programme is conducted twice a year with a focus on the health and wellbeing of female employees.

NEEV Programme: Introduced in 2023–24, the NEEV Programme is a flagship employee engagement initiative conceptualised to uphold Diversity, Equity, and Inclusion (DE&I) values. As a part of the initiative, parents and/or in-laws of female employees are invited for a half-day visit at the R&D Centre. During the visit, over and above facility orientations, parents are also informed about various initiatives across the Torrent Group (UNM Foundation initiatives, UJJAS, events, and celebrations, i.e., Independence Day, Republic Day, Navaratri, Holi, etc.). Following a briefing, a facility tour is planned to visit labs and departments (e.g., BE Centre, ADL, etc.), wherein female employees introduce them to team leads and team members. The initiative is well appreciated by parents as well as colleagues.

Special Allowances for Female Field Employees: For female employees in the pharma field, Torrent Pharma offers two special allowances: a hygiene allowance and a special travel allowance. These allowances recognise the unique challenges faced by field employees and aim to support their needs effectively.

Crèche Facility: A fully equipped crèche facility is provided to all working mothers at each location so that while they are at work, their children are taken care of.

Human Capital

Employee Snapshot

Workforce Details

			Total
Permanent Employees	13,378	1,775	15,153
Other than permanent employees	286	52	338
Permanent Workers	535	30	565
Other than permanent workers (Contractual workers)	1,951	460	2,411
Total	**16,150**	**2,317**	**18,467**

Age Group (excluding contractual workers)

			Total
<30	3,386	630	4,016
30-50	10,011	1,109	11,120
>50	802	118	920
Total	**14,199**	**1,857**	**16,056**

Gender Diversity by Management Category

			Total
Senior Management	145	19	164
Middle Management	599	87	686
Junior Management	10,637	1,094	11,731
Staff	2,818	657	3,475
Other than permanent workers (Contractual workers)	1,951	460	2,411
Total	**16,150**	**2,317**	**18,467**

New Hires by Age Group during 2023-24

			Total
<30	1,659	294	1,953
30-50	966	175	1,141
>50	30	7	37
Total	**2,655**	**476**	**3,131**

Employee Attrition by Age Group during 2023-24

			Total
<30	943	211	1,154
30-50	1,039	165	1,204
>50	100	24	124
Total	**2,082**	**400**	**2,482**

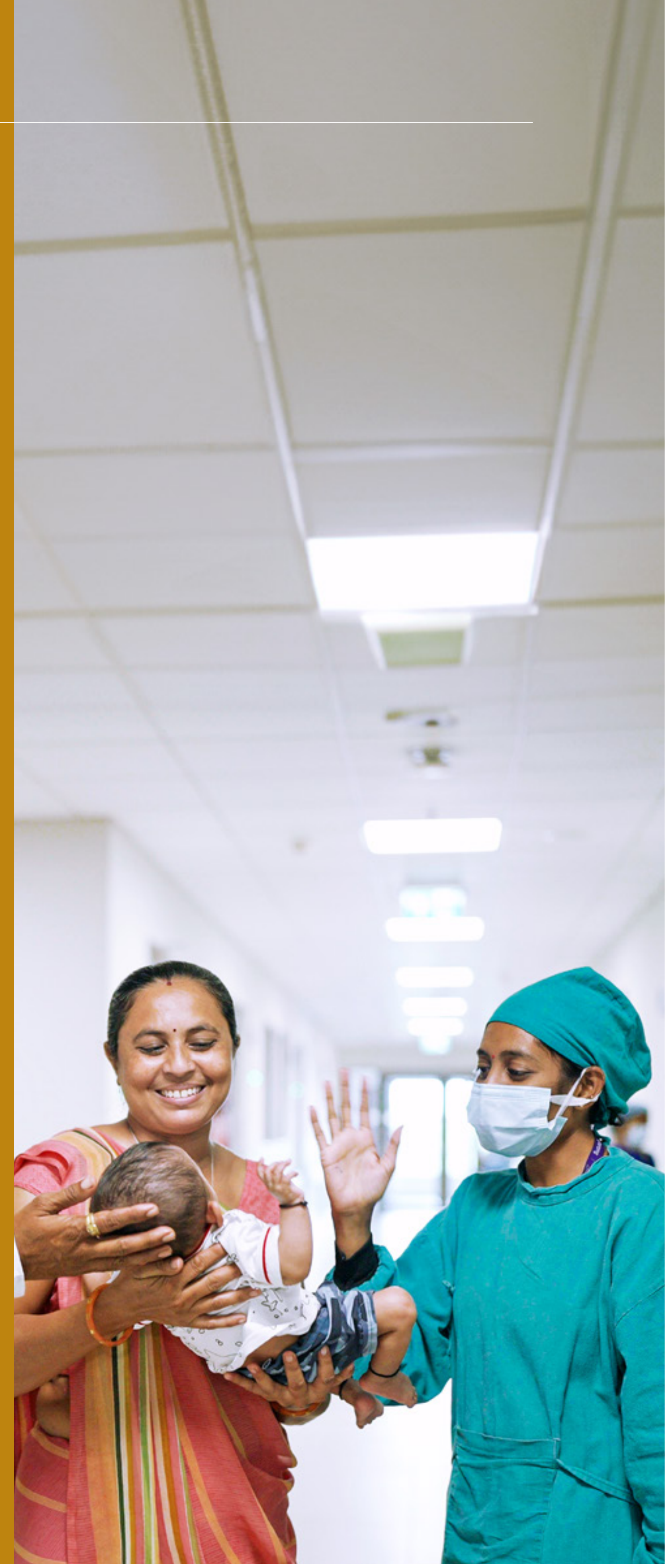
Diverse and Global Workforce

			Total
India	13,683	1,169	14,852
Outside of India	516	688	1,204
Total	**14,199**	**1,857**	**16,056**

Social and Relationship Capital

Nurturing Relationships for Sustainable Growth

The philosophy of "think of others when you think about yourself," as articulated by the Late Shri U.N. Mehta, the founder, serves as the guiding principle driving the Company's CSR initiatives focused on improving the lives of underprivileged communities. Additionally, the Company places a great emphasis on cultivating strong relationships with its stakeholders to drive mutual growth and greater societal impact.



Stakeholders in Focus

Materials Issues Addressed

M7 M8

Strategic Themes

ST4 ST6

Alignment with UN SDGs

Promoting Holistic Community Development

Torrent Pharma is committed to promoting the holistic growth of the communities surrounding its operations. The Company channels a portion of its resources and activities towards enabling meaningful social, ethical, and environmental impact. It remains dedicated to advancing efforts aimed at creating a more inclusive and improved society through the Group's targeted community development initiatives.

CSR Focus Areas

To enhance value creation for communities and dedicate resources towards accelerating meaningful social impact, the 'UNM Foundation', a non-profit organisation, takes forward the Group's CSR activities with a focus on:

- **Community Healthcare, Sanitation and Hygiene**
- **Education and Knowledge Enhancement**
- **Social Care and Concerns**

Social and Relationship Capital

CSRS Committee and Policy

At the board level, Torrent Pharma has a Corporate Social Responsibility and Sustainability (CSRS) committee responsible for overseeing its community-facing initiatives. The Company's well-structured and holistic CSR policy highlights focus areas, project categories, programme types, delivery methodologies, and resources. It serves as guiding principles for community engagement for all relevant employees and partners.

Development and Implementation of Annual Action Plan (AAP)

The CSRS committee convenes at least twice a year to develop an Annual Action Plan (AAP) that outlines selected projects, activities, and budgets for the year. Seeking board approval for the AAP, the committee monitors its implementation.

The Company consistently tracks the societal and environmental impact of its decisions, projects, and activities to identify areas for improvement and foster trust with stakeholders.

Community Healthcare, Sanitation and Hygiene

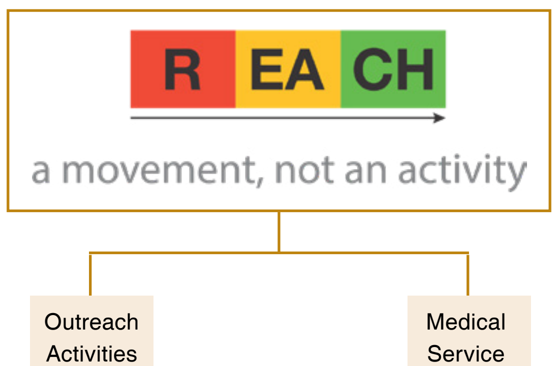
With a focus on enhancing healthcare for the communities surrounding Torrent Pharma's operations, the Company has instituted a comprehensive set of initiatives aimed at promoting community healthcare, sanitation, and hygiene.

REACH Program: A Child Health-centric Initiative

At the forefront of these efforts is the REACH (Reach EAch CHild) programme, launched under the UNM Foundation in 2016, which serves as a cornerstone in addressing child health issues, improving adolescent girls' health and hygiene, and providing specialised medical services through proactive interventions and awareness campaigns.

REACH has three pillars that work together to foster equitable healthcare:

- **Grassroots Interventions:** The first pillar of the programme targets to establish a baseline health status of children aged 6 months to 6 years.
- **Greenfield Actions:** The second pillar provides healthcare services to support children up to 18 years in remote areas with inadequate medical services.
- **Other Allied Activities:** The third pillar is dedicated to removing the taboos associated with menstruation and creating awareness about menstrual hygiene among adolescent girls.



A. Grassroots Intervention

Initiatives	Details
2023-24	
Baseline Screening Camps	Conducted baseline screening camps in more than 600 villages, and more than **31,000 children** were screened in the age group of 6 months to 6 years across Sugen, Dahej, Indrad, Balasinor, Banaskantha, and Radhanpur in Gujarat, Diu and Daman & Dadra and Nagar Haveli (UT), Maharashtra, and Uttar Pradesh.
Impact/ Results	Notable improvements have been observed. In malnourished children, **58%** improvement and in anaemic children **89%** improvement post-intervention.
Cumulative Status	
Baseline Screening Camps	Conducted baseline screening camps in more than 1,600 villages, and more than 150,000 children were screened in the age group of 6 months to 6 years across Sugen, Dahej, Indrad, Balasinor, Banaskantha, and Radhanpur in Gujarat Diu and Daman & Dadra and Nagar Haveli (UT), Maharashtra, and Uttar Pradesh.
Impact/ Results	Notable improvements have been observed. In malnourished children, **61%** improvement, and in anaemic children **90%** improvement post-intervention.

B. Greenfield Actions

Torrent Group commits to providing healthcare services for children through UNM Children PHCs and the state-of-the-art UNM Children Hospital.

Initiatives	Details
2023-24	
New UNM Children PHCs in 2023-24	Expanded reach to underserved communities: • Started OPD on a regular basis at Naswadi and Radhanpur UNM Children PHC; earlier, it was being done once a week. • Started urban PHCs in Ankleshwar and Bhestan near Surat to address underprivileged migrant beneficiaries.
OPD conducted in 2023-24	More than **187,000 OPD** conducted across **11** locations
Cumulative OPD	More than **621,000 OPD** conducted across **11** locations

C. Awareness Programmes

Initiatives	Description
Awareness on Malnourishment, Anaemia and General Hygiene	Conducted awareness sessions at villages on prevention and curing malnourishment, anaemia and to maintain general hygiene in day-to-day life.
Menstrual Hygiene Awareness and Distribution of Sanitary Napkins	Initiatives to promote the use of reusable sanitary napkins. Distributed reusable sanitary napkins for more than **27,000 adolescent girls.**
Cumulative status	Distributed sanitary napkins to more than **72,000** adolescent girls in more than **1,200 villages** across Sugen, Dahej, Indrad, Banaskantha, and Radhanpur locations.

Way Forward

- Conducting baseline screening camps in 400 new villages, covering new locations like Dholera, Junagadh, and Naswadi across Gujarat.
- **Establishing UNM Children PHCs:** Establish UNM Children PHCs in remote regions like Dholera and Junagadh to enhance healthcare access.
- **Equipped with More Facilities:** Establish diagnostic facilities at remote UNM Children PHCs like Dediapada, Naswadi, Chhapi, and Radhanpur in a phased manner.
- A third-party impact assessment to be carried out.

Social and Relationship Capital

UNM Children Hospital: Enhancing Healthcare Facilities

The commitment to provide comprehensive critical care to children is exemplified by strategic shift in 2022 by focusing on surgeries. This decision led to the transformation of the SUGEN pediatric centre into the UNM Children's Hospital, symbolising the Company's commitment to providing comprehensive medical services to children. Located in Kamrej, the hospital boasts state-of-the-art infrastructure, including advanced pneumatic tube systems and cutting-edge operation theatres. With a team of highly skilled pediatric surgeons and doctors, the hospital has become a beacon of hope, attracting beneficiaries from cities across India for critical treatments.

Through UNM Children Hospital, the Group has been enhancing facilities and expanding services to meet the growing healthcare demands of the community. The hospital offers a range of services including NICU and PICU, with absolute free services for needy families and subsidised rates for others.

1,709

Total Surgeries in FY24, of which **~60%** were major surgeries

Particulars	Beneficiaries till Mar 24 (Cumm since April 20)	FY 2023-24
OPD	1,17,336	61,001
IPD	4,354	2,725
Surgery	2,539	1,709
Neonatal ICU (NICU)	327	207
Paediatric ICU (PICU)	267	178

Surgical Camps: Bringing Healthcare Closer

Torrent Group conducts surgical screening camps as part of the UNM Children Hospital Intensive Awareness Action Plan to identify and provide primary screening and consultation facilities to surgical patients in remote areas.

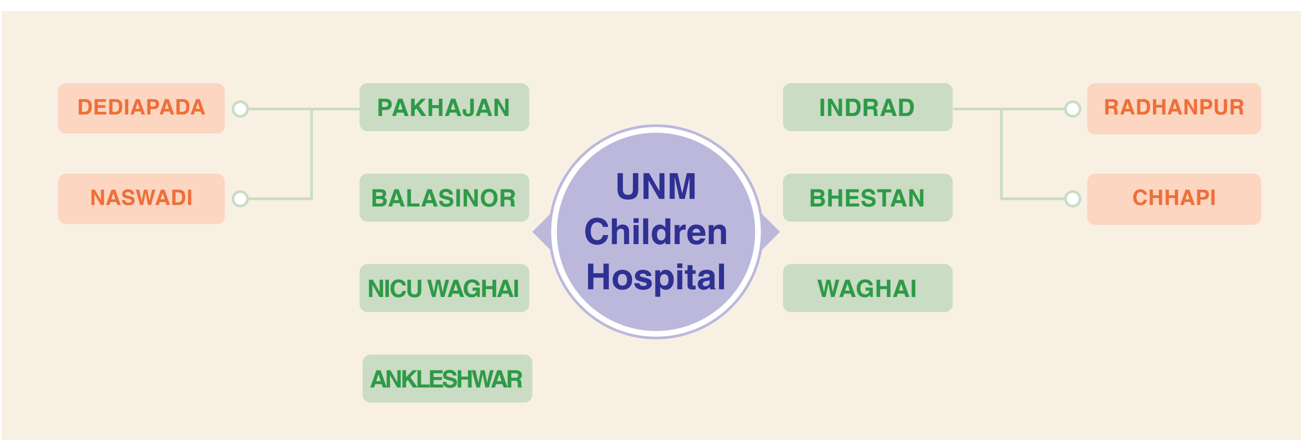
These camps facilitate the identification of surgical needs and provide essential medical services to underserved communities.

Impact of Surgical Camps in FY2023-24

Location	Number of Surgeries
UNM Children Hospital	110
Waghai	16
Pakhajan	16
Uchhal	5
Balasinor	6
Radhanpur and Chappi	29

Through these initiatives, Torrent Group is committed to improving the healthcare infrastructure and services available to communities, ensuring better health outcomes and well-being for all.

UNM Children Hospital and PHC Centres

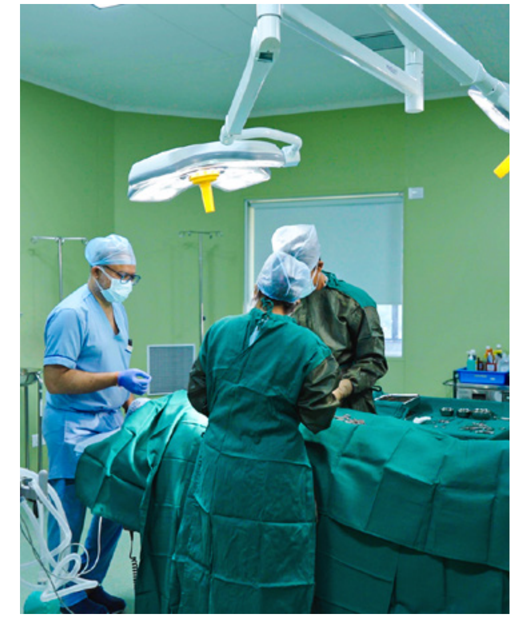


CASE STUDY

Life Saving Surgery at UNM Children Hospital

A patient with scoliosis (bending of the spine) since birth was admitted to UNM Children Hospital. The patient had been experiencing difficulties, including trouble sitting, for several years. Upon admission, the patient's condition was closely monitored, with intense observation of heart rate, blood pressure, and urine output, with close supervision by the anaesthesia team. Continuous monitoring was essential during the spinal cord insertion of each screw during surgery. The operation was performed by two surgeons, two implant technicians, and experienced Neuromuscular expert.

This case highlights the ability to provide access to healthcare for individuals from low socio-economic backgrounds. The patient's father is a daily wage worker, and the mother engages in household chores for others. Despite the challenges, they were counselled and later agreed to undergo the surgery, considering the severity of the disease and its prognosis.



CASE STUDY

Twin Lives Saved on Time

Two premature newborns, aged only 27 days, were admitted to the Neonatal Intensive Care Unit (NICU) of UNM Children Hospital due to their low birth weight of 750 and 850 grams. They faced the typical challenges associated with premature birth. Throughout their 42-day hospital stay, the twins encountered respiratory problems, feeding difficulties, colic, vitiligo, and low birth weight.

Due to exceptional care and medical support, the twins made a remarkable recovery and were discharged from UNM Children Hospital weighing a healthy 1.5 kilograms each and were able to digest milk properly. The medical team at UNM Children Hospital made a crucial contribution in saving these two precious lives through their skilled medical care and compassionate support.

Social and Relationship Capital

CSRS committee members visiting Health check up Camp

Social Care and Concern

Pratiti

Public Park Development

The Pratiti programme has achieved significant milestones in the revitalisation of public parks in Ahmedabad. Its core aim is to offer citizens accessible and sustainable green areas for leisure and recreation. Over the past five years, Torrent Pharma's team has successfully revitalised nine parks in Ahmedabad, covering approximately 98,000 square metres, all of which are now open to the public. Furthermore, the programme has initiated the redevelopment of an additional four parks, totaling approximately 265,000 square metres, further enhancing the city's green spaces. These parks are undergoing renovation currently.

7,000+
Daily footfall across developed parks

Promoting Sustainable Living through Lake Development

As part of its ongoing efforts to promote holistic community development, Torrent Pharma undertook significant initiatives for the development and rejuvenation of lakes and providing residents with essential amenities and recreational spaces in Kesardi and Zolapur villages in Gujarat.

Lake Development in Kesardi Village, Bavla

The Company invested in the development of a lake and community spaces in Kesardi village of Bavla District, which included the establishment of a seating plaza with enclosed premises, landscaping, and LED lighting for residents' comfort. The crematorium area was revamped with proper sheds and landscaping, ensuring a dignified setting for ceremonies. Additionally, a children's play area was built, and roadside tree plantations were carried out, contributing to the overall improvement of the village.

Lake Development in Zolapur Village, Sanand

In Zolapur Village of Sanand District, Torrent Pharma invested in lake development efforts to uplift the community. Various works have been completed under this project, including the revamping of crematorium areas, the establishment of new pathways, and extensive tree plantations. The addition of children's play areas, open gym facilities, and enhancements to community infrastructure underscores the Company's commitment to community well-being.

Enhancing Relationship Capital

Torrent Pharma places a high value on nurturing strong relationships built on transparency, trust, and shared values. The Company's commitment to sustaining respectful and beneficial connections with stakeholders is fundamental to its business conduct. From patients and healthcare professionals to shareholders, suppliers, and society, Torrent Pharma actively engages with various stakeholders fostering meaningful relationships.

Patients and Healthcare Professionals

Torrent Pharma operates on a patient-centric model, prioritising the health and well-being of individuals. Guided by the motto "Not Just Healthcare, but Lifecare," the Company ensures access to high-quality, affordable medicines across different therapeutic segments and regions. Through avenues such as clinical trials and customer feedback mechanisms, Torrent Pharma actively seeks input to enhance product development and address customer concerns promptly. The Company provides transparent communication channels, including a dedicated email for lodging complaints or adverse event notifications, to facilitate swift resolution and build trust with patients.

Investors and Shareholders

Torrent Pharma maintains long-standing relationships with shareholders by consistently delivering superior returns and upholding transparency. Through avenues like conferences, roadshows, and earnings calls, the Company actively engages with investors, seeking their feedback and keeping them informed about strategic and operational developments. The dedicated Investor Relations function ensures direct discussions with management, fostering understanding and alignment of expectations.

Government Regulators and Industry Associations

The Company interacts with regulators and government bodies with transparency and strict adherence to applicable laws and regulations. Active participation in industry associations and forums allow Torrent Pharma to contribute to regulatory improvements, process enhancements, and advocacy for industry needs. By collaborating with the Government in policy development, the Company positions itself as a thought leader and aligns regulations with the economic landscape's requirements.

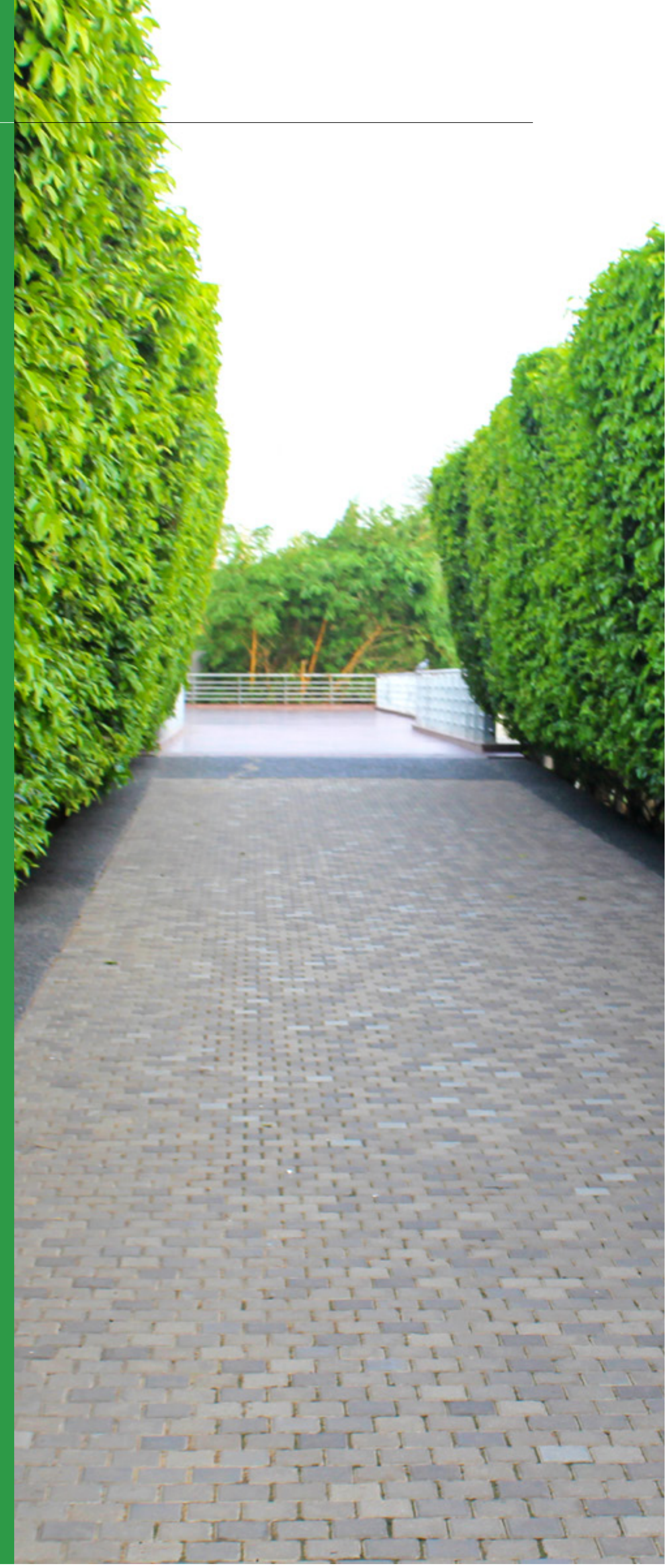
Natural Capital

Making Sustainable Progress for a Better Future

Guided by the foundational value of "CONCERN FOR SOCIETY & ENVIRONMENT" Torrent Pharma has made notable progress across its sustainability focus areas: Carbon Emissions and Energy Management, Water Stewardship, and Waste Management. Through continuous investments in new equipment, process improvements, and the adoption of sustainable practices, the Company strives to build a cleaner and better future.

Highlights

24.3%
Reduction in non-renewable energy consumption from 2022-23



Stakeholders in Focus

Materials Issues Addressed
M3 M4

Strategic Themes
ST3 ST6

Alignment with UN SDGs
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION

Sustainability Roadmap

Torrent Pharma demonstrates a strong commitment to environmental sustainability and compliance with environmental laws and regulations. Aligned with the SBTi target of 1.5 degrees Celsius, the Company has been taking various measures to minimise the environmental footprint and progress on its sustainability goals.

Progress on FY 2025 Targets

Carbon Emission and Energy Management

Targets
- Reduce 21% Scope 1 and Scope 2 emissions from 2020 levels
- Estimate 100% Scope 3 emission

Progress with KPIs
- New boilers with renewable fuel were introduced at 3 manufacturing sites to reduce Scope 1 emissions. All 3 boilers commissioned in FY 2023-24
- A hybrid renewable energy project comprising 5.4 MW of wind and 7.5 MW of solar power was put into operation in FY 2023-24
- The estimation of Scope 3 emission will be completed in FY 2024-25

Water Stewardship

Targets
- Reduce freshwater withdrawal by 25%

Progress with KPIs
- Constant efforts are made to reduce water consumption
- Maximising recycling and reuse of wastewater at specific locations
- Efficient use of water for various operations

Waste Management

Targets
- Promote circular economy through the recycling of 100% of non-hazardous waste

Progress with KPIs
- 100% recycling of non-hazardous waste.

Natural Capital

Carbon Emission and Energy Management

Torrent Pharma prioritises energy management as a critical aspect of its operations, integrating it into business planning to drive efficiency. Through the implementation of advanced technology and systems, the Company actively reduces energy consumption while consistently monitoring carbon emissions. Notably, Torrent Pharma has achieved a 29.31% reduction in both Scope 1 and Scope 2 emissions since 2020, making significant progress towards its sustainability goals.

Adopting Energy Efficient Measures

The Company undertook various measures to reduce energy consumption, environmental impact, and operational costs.

- **Installation of Energy-Efficient Equipment:** Installation of LED lighting, occupancy sensors, and energy-efficient utilities at Dahej, Pithampur, and R&D centre.
- **Utilising Latest Technology:** Implementing advanced technology in HVAC systems, chillers, and AHUs at manufacturing facilities in Sikkim, Baddi, Vizag, and Dahej.
- **Maintaining Power Factor:** Vigilant maintenance of power factory near units across operations to optimise electrical systems and minimise energy losses.

Implementing Renewable Energy Solutions

Torrent Pharma embraces renewable energy solutions to reduce its carbon footprint and transition towards sustainable operations.

- **Hybrid Renewable Energy Installation:** In May 2023 the Company commissioned hybrid renewable energy systems, incorporating both solar and wind power generation.
- **Briquette Boiler Deployment:** In April and June 2023, the Company introduced briquette fired boilers at its facilities in Indrad and Dahej, respectively. Additionally, a briquette boiler was installed in Baddi in March 2024, further enhancing energy efficiency.
- **Heat Pump Utilisation:** Installed and operationalised heat pump systems at the Dahej and Sikkim facilities. These heat pumps contribute to energy conservation and sustainable heating solutions.
- **Roof-Top Solar Panel Installation:** Installed additional capacity of roof-top solar panels at its R&D centre (50 kW capacity) and Sikkim facility (20 kW capacity), to reduce the dependence on conventional energy sources and minimise environmental impact.

Biodiversity

Torrent Pharma is committed to promote environmental sustainability through various green initiatives. The Company has shown its dedication to environmental sustainability and preservation by planting trees and shrubs, and maintaining a substantial green coverage across its sites.

33,200+
Trees

5.02+ lakhs
Shrubs

~44%
Green coverage across all sites

Energy Consumption Data (in GJ)

	Type of Fuel	2022-23	2023-24
Non-Renewable Sources			
Boilers	Natural Gas	65,787	29,807
	Furnace Oil	92,087	5,706
	High Speed Diesel	7,488	7,365
	Light Diesel	40,625	27,340
	Low Sulphur Heavy Stock (LSHS)	1,07,027	1,05,017
DG Set	High Speed Diesel	25,986	32,761
Electricity	Grid Electricity	4,42,530	3,83,472
Renewable Sources			
Electricity	Solar + Wind	8,022	83,157
Biofuels			
Boiler	Briquette	12,225	1,72,032
Cafeteria	Biofuel	176	155
Total		**8,01,953**	**8,46,812**

Reducing Air Emissions and Carbon Footprint

Torrent Pharma is committed to controlling air emissions in its manufacturing facilities and implementing proactive measures to reduce environmental impact. The Company employs various strategies, including the use of green fuel in boilers, the installation of renewable energy stations, and the implementation of primary and secondary condensers. Additionally, nitrogen blanketing at solvent storage tanks and the installation of scrubbers effectively control volatile organic compound (VOC) emissions.

Key Initiatives Undertaken

- Torrent Pharma utilises biofuels and low-sulphur-containing fuels like natural gas and LSHS (Low Sulphur Heavy Stock). This helped the Company in reducing SOx and NOx emissions.

SOx Emission Reduction:

- **77.1% reduction** compared to the base year 2019-20
- **51.3% reduction** compared to 2022-23

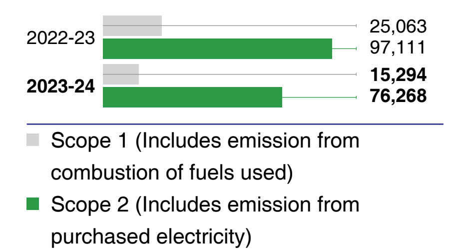
NOx Emission Reduction:

- **74.7% reduction** compared to the base year 2019-20
- **54.7% reduction** compared to 2022-23

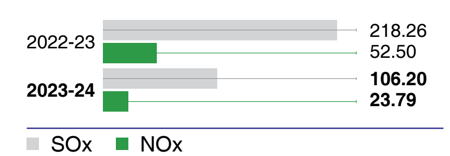
- **Renewable Energy Stations:** Hybrid renewable energy systems, combining solar and wind power, were commissioned starting in May 2023 to further minimise environmental impact.
- **Efficient Boiler Systems:** The Company implemented briquette boilers at facilities in Indrad, Dahej, and Baddi, contributing to reduced emissions starting in April 2023.
- **Enhanced Methodology:** The Company has enhanced its air emissions calculation methodology to ensure accurate and transparent reporting of emissions data.
- **Continuous Monitoring:** Continuous emission-monitoring systems have been established along with online emissions monitoring systems for process gases at Dahej facility. Online VOC monitoring systems are also operational at the Dahej and Vizag facilities. Online effluent monitoring system is operational at Indrad plant.
- **Ambient Air Monitoring:** The Company adheres to national ambient air monitoring guidelines, monitoring ambient air quality according to established SOPs. Third-party monitoring by government-approved laboratories is conducted regularly to ensure compliance and transparency.
- **Enhanced Carbon Emissions Monitoring:** Torrent Pharma prioritises transparent carbon emission monitoring to mitigate its environmental impact. Through a robust system, the Company systematically maps emission sources and calculates carbon output, ensuring accurate and transparent reporting. Recent enhancements in data capture mechanisms has further strengthened transparency and accountability in emission monitoring and reporting.

Progress and Impact

GHG Emission Profile (in tCO_2 eq.)



SOx and NOx Emissions (in MT)



Natural Capital

Water Management

Torrent Pharma recognises the importance of responsible water usage and is committed to implementing measures to reduce freshwater withdrawal, optimising water stewardship across its operations.

Reducing Freshwater Withdrawal

Torrent Pharma actively monitors water usage and has implemented water-efficient systems to reduce consumption. Regular water audits are conducted across various plants to identify areas for improvement. The Company aims to achieve a 25% reduction in freshwater withdrawal by 2024-25. To meet this target, Torrent Pharma has implemented several initiatives:

- **Water Treatment and Rainwater Harvesting:** The Company has invested in water treatment facilities and rainwater harvesting systems to utilise alternative water sources efficiently.
- **Effluent and Sewage Treatment:** Torrent Pharma leverages effluent and sewage treatment systems to optimise water usage. High-quality permeate from Effluent Treatment Plants (ETPs) is fully reused for utility operations.
- **Water Recycling Systems:** In water-stressed areas, such as Bileshwarpura, Indrad, Pithampur, and R&D, Torrent Pharma has installed efficient water recycling systems. These systems limit water usage in operations and contribute to overall water conservation efforts.
- **Smart Water Management Technologies:** Touch-free sensor taps, waterless urinals, and digital meters are installed across facilities to monitor daily water consumption and identify areas of improvement.

Effluent Treatment Measures

Torrent Pharma has implemented advanced Effluent Treatment Plants (ETPs) at API and Formulation facilities in Indrad and Dahej. These ETPs utilise a three-stage effluent recycling Reverse Osmosis (RO) system, achieving over 90% recovery. The high-quality permeate obtained from ETP RO is reused for utility operations, minimising fresh water withdrawal. Additionally, sewage water systems based on SBT (Sequential Batch Reactor) technology are deployed, ensuring chemical-free and environmentally friendly treatment of sewage water.

Water Stewardship Data (Million M³)

Particulars	2022-23	2023-24
Surface Water	0.782	0.817
Ground Water	0.264	0.265
Total Water Withdrawal	**1.046**	**1.082**
Water Recycled and Reused	0.428	0.428
Treated Water Discharged	0.096	0.108
Water Consumption	0.950	0.974

Regulatory Compliance

The Company is not only maintaining its regulatory requirements as envisaged by the Central Ground Water Authority but has also taken ownership of reducing water consumption through efficient recycling. The ETPs and RO system allow for 80% reuse of recycled water for utility and horticulture purposes.

Waste Management

Torrent Pharma is committed to integrating circular economy concepts into its waste management processes, aiming to minimise waste generation, promote recycling, and achieve zero waste to landfill.

Collaboration with Waste Management Agencies

The Company collaborates with various waste management agencies to efficiently manage different types of waste. Non-hazardous waste is sent to recyclers, while hazardous waste undergoes recycling, co-processing, landfilling and incineration in compliance with regulations.

Managing Different Types of Waste

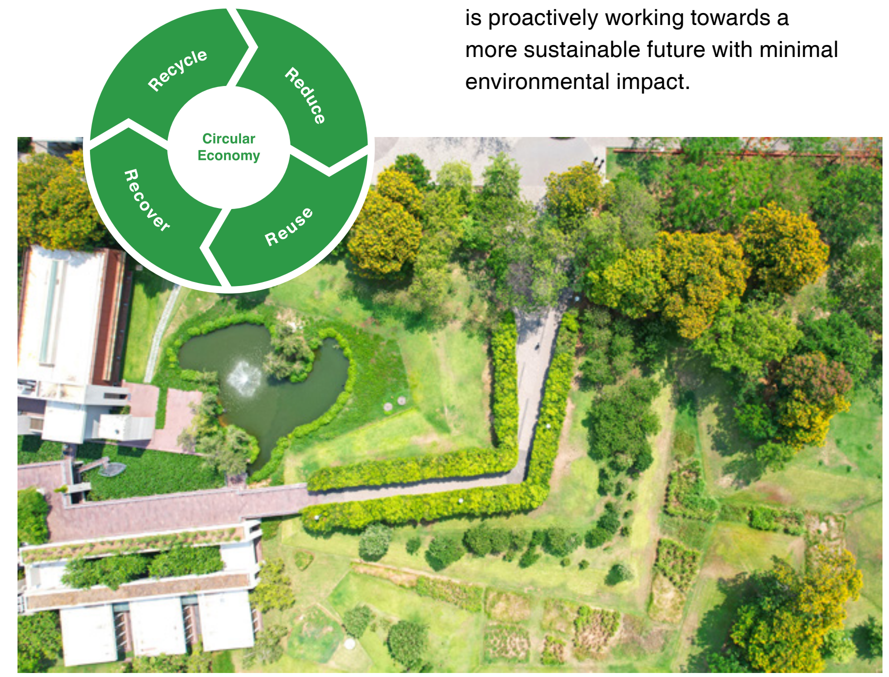
The Company manages a variety of waste streams, including hazardous waste, e-waste, used batteries, and biomedical waste, in compliance with State Pollution Control Board regulations. The Company sends 100% of non-hazardous waste to recyclers and aims to eliminate hazardous waste sent to landfills entirely.

Supporting Circular Economy

Torrent Pharma adopts the 4R approach—Reuse, Reduce, Recover, and Recycle—as part of its waste management strategy. By emphasising these principles, the Company aims to minimise waste generation, maximise resource recovery, and promote sustainable practices throughout its operations.

Proactive Steps towards Zero Waste to Landfill

Torrent Pharma aspires to achieve its goal of "zero waste to landfill" by actively implementing its waste management strategy. Through initiatives such as collaboration with waste management agencies, energy recovery (co-processing) and adherence to the 4R philosophy, the Company is proactively working towards a more sustainable future with minimal environmental impact.



Waste Generation and Disposal Data (in MT)

	Type of Fuel	2022-23	2023-24
Waste Category			
Biomedical Waste	Incineration	47.29	49.06
Plastic Waste	Recycling	268.00	567.75
	Co-processing	576.00	-
Solid Non-Hazardous Waste	Recycling	2,326.07	1,841.86
E-Waste	Recycling	10.88	3.05
Battery Waste	Recycling	8.81	14.07
Solid Hazardous Waste	Incineration	115.40	55.48
	Co-processing	980.35	955.15
	TSDF Landfilling	649.37	425.05
	Recycling	1,642.85	1,772.80
Total Waste		**6,625.02**	**5,684.27**

DIRECTORS' REPORT

To,
The Shareholders

The Directors have the pleasure of presenting the Fifty First Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2024.

HIGHLIGHTS

1. Celebrating Legacy, Shaping tomorrow:

   Branded business:

   The branded business which now accounts for around 72% of the overall revenues of the Company has maintained its strength, consistently outperforming the market in the respective geographies of presence. This is a testament to the enduring legacy of excellence established over the years. The acquired India business of Curatio Health Care (I) Private Limited ("Curatio") continues to create value, expanding market reach and deepening our presence in the dermatology segment. With business now fully integrated, synergies have materialised leading to margin expansion.

   Generic:

   Germany has registered strong growth on the back of new tender wins and better conversion rate in tenders already won in the past. Incremental investments are being made to increase the share of OTC business over the next 3 years and also building portfolio around a new customer segment.

   US, with the manufacturing facility at Dahej and Bileshwarpura approved by the USFDA, new products launch will start from April 2024. Over the next 3 years, US is expected to contribute positively to the overall performance of the Company.

2. India business:

   - Market outperformance: As per AIOCD data set (MAT March 24), the Company grew at 11 % versus Indian Pharmaceutical Market (IPM) growth of 7%. Growth was aided by strong performance of top brands, new launch momentum, market share gain in focus therapies and growth from the Curatio acquired portfolio.
   - Field force expansion: During the year, the Company has expanded field force to complement its new launches and selectively expand its reach amongst Consulting Physicians and General Practitioners. As at 31st March 2024, total number of field force stood at around 5,700.
   - In-Licensing: The Company entered into a strategic alliance with Zydus Lifesciences Ltd for co-marketing Saroglitazar, prescribed for critical treatment for Chronic liver diseases. The alliance will further augment our gastroenterology franchise and will help to address emerging unmet patient needs of NASH and NAFLD disease areas with high prevalence and limited therapeutic options availability.
   - Consumer Health: The Consumer health segment was launched in H2 of 2022-23. The first product to be launched under this segment was Shelcal 500 and further during the year, the portfolio expanded with addition of more brands such as Unienzyme, Ahaglow and Tedibar. Various digital campaign activations are undertaken including nationwide TV advertisements, social media launch on websites and social handles.
   - The Company is now ranked 5th in the IPM. It has 21 brands in the Top 500 brands of IPM and has 16 brands with revenues of more than ₹ 100 crores.
   - The Company will continue to strengthen its competitive position through focus on new launches, market expansion, improving field force productivity and brand building.

3. Brazil business:

   - The Company continues to be ranked no. 1 Indian Pharmaceutical Company in Brazil.
   - Brazil registered a growth of 20% (BRL growth of 12%). The performance was aided by new product launches, improvement of market share in existing products and higher growth in the generic segment.
   - As per secondary market data, Brazil grew at 14% against market growth of 10% in value and 14 % vs market growth of 0.4% in volumes.
   - The Company launched three products during the year.
   - The Company has added a second sales team for its Central Nervous System (CNS) products. The expanded sales force will complement new launches.
   - As at 31st March 2024, total number of field force stood at around 321.
   - The Company will continue to deepen its presence in the existing therapies of cardiology, diabetes and CNS by focusing on brand building, expansion of product portfolio and improvement in field force productivity. The Company is also preparing for two new therapeutic areas.

4. Germany business:

   - The Company continues to be ranked no. 1 amongst the Indian Pharmaceutical Companies in Germany and is ranked no. 5 in the overall generic market.
   - The Company saw sequential growth on rolling quarter with new tender wins, better conversion of existing tenders and growth in the non-tender segments. As per IQVIA dataset (MAT March 24), the Company grew at 11% against market growth of 4%.
   - The Company continues to focus on cost efficiency efforts to improve its market share in the tender segment, launching products that face patent expiries, expanding non-tender segment & developing its OTC business.

5. US business:

   - US business registered de-growth mainly due to lack of new products coupled with price erosion on existing products.
   - USFDA approved Dahej facility has received Establishment Inspection Report (EIR), which paves way for the new product approvals. New product launches will start from April 2024. Oncology facility has received EIR and the first product is launched from this facility.
   - At end of year, 34 ANDAs were pending approval with USFDA and 4 tentative approvals were received. During the year, 10 ANDAs were approved and 2 ANDAs were filed.

6. Financial Performance:

   - The Company registered a revenue growth of 12% and Operating EBITDA growth of 19%.
   - Operating EBITDA margins were 31% compared to 30% in the previous year.
   - At end of 2023-24, leverage in terms of Net debt to EBITDA stands at 0.87x.

FINANCIAL RESULTS

The summary of Standalone (Company) and Consolidated (Company and its subsidiaries) operating results for the year and appropriation of divisible profit is given below:

(₹ in crores except per share data)

	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Sales & Operating Income	8,533	7,695	10,728	9,620
Profit Before Depreciation & Amortisation, Net Finance Cost, Exceptional Items & Tax	2,979	2,536	3,414	2,872
Less: Depreciation & Amortisation	761	672	808	706
Less: Net Finance Cost	301	287	342	319
Profit Before Exceptional Items & Tax	1,917	1,577	2,264	1,847
Less: Exceptional Items	-	-	(88)	-
Less: Tax Expense	560	526	696	602
Net Profit for the Year	1,357	1,051	1,656	1,245
Balance brought forward	3,394	3,213	3,303	2,917
Other Comprehensive income and other adjustments	0	(7)	(2)	4
Balance available for appropriation	4,751	4,257	4,957	4,166
Appropriated as under:				
Transfer to General Reserve	-	-	-	-
Dividend	1,015	863	1,015	863
Balance Carried Forward	3,736	3,394	3,942	3,303
Earnings Per Share (₹ per share)	40.10	31.07	48.94	36.79

Consolidated Operating Results

The consolidated sales and operating income increased to ₹ 10,728 crores from ₹ 9,620 crores in the previous year showing a growth of 12%. The consolidated operating profit for the year was ₹ 3,414 crores as against ₹ 2,872 crores in the previous year registering growth of 19%. The consolidated net profit stood at ₹ 1,656 crores compared to ₹ 1,245 crores in the previous year registering growth of 33%.

Exceptional Item

Exceptional item of ₹ 88 crores pertains to gain on sale of manufacturing facility at US which was previously impaired.

Management Discussion and Analysis (MDA)

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

APPROPRIATIONS

i) Dividend

The Company endeavours to distribute 50% of its annual consolidated net profit after tax without taking into account non-cash charges relating to the business acquisitions as dividend, in accordance with the dividend policy. The policy is available on the website **https://www.torrentpharma.com/pdf/investors/Dividend_Policy.pdf**

During the year under review, an interim dividend of ₹ 22/- per equity share of face value of ₹ 5/- each (@ 440%) amounting to ₹ 745 crores was paid to the shareholders. Further the Board considered it prudent to recommend the final dividend for 2023-24 as per the Dividend Distribution Policy and accordingly recommended a final dividend of ₹ 6/- per equity share of face value of ₹ 5/- each (@ 120%) amounting to ₹ 203 crores for approval of shareholders at the 51st Annual General Meeting (AGM) of the Company. Hence, the total dividend paid / payable with respect to the year under review was of ₹ 28/- per equity share (@ 560%) amounting to ₹ 948 crores.

ii) Transfer to Reserves

The Board of Directors of the Company has decided not to transfer any amount to the reserves for the year under review.

HUMAN RESOURCES

At Torrent Pharma, we recognise our employees as the Company's most valuable assets essential to our growth and success. Our employees at every level, contribute through their commitment, loyalty and hard work making our achievements possible. In order to sustain this, we continue to build competencies to embrace the new skills for a sustainable future. This has enabled the Company to develop an inclusive, multicultural organisation that fosters employee satisfaction, diversity and a sense of belonging.

We believe that the Company's success is the result of the combined efforts of all its employees. During the year, the Company took several initiatives to increase organisational performance and productivity in order to be a value-driven and future-ready Organisation.

With the acquisition of Curatio Health Care (I) Private Limited; the Human Resources Department has successfully facilitated the integration of the new employees into Torrent's culture through various training and development programs. Moreover, continuous training programs for Managers, both in the field and at the Corporate Office, ensured the acquisition of new managerial skills, essential to be ready for future challenges.

The Company is committed to provide a safe and healthy working environment and achieving an injury and illness free work place. Economic considerations, never supersedes health and safety measures and our leaders actively demonstrate visible commitment towards health and safety.

All lead and lag incidents are reported through an incident reporting system. The system has well-established procedures for reporting incidents; later investigations are carried out to determine root cause, corrective actions and improvements in the current systems. This entire process is carried out, in a non-retaliatory mechanism for employees and contract staff equally resulting in reporting incidents without fear.

Through cadre and capability building efforts, we remain focused on strengthening our talent processes and building the talent pipeline for the Organisation. Significant efforts have been made to strengthen our leadership and hire the best talent available. These have helped to bring a new perspective and energy in the Organisation. Our training and development initiatives have played a pivotal role in talent development and enhancing employees' managerial skills.

To foster a sense of togetherness amongst our employees, various initiatives such as SAMPARK have been implemented, facilitating regular interactions between management and new employees offering Orientation program and avenues for open communication.

Our coaching and mentoring programs alongside initiatives such as Sahyog, Baat-cheet and U Coffee sessions empower employees to speak out on issues, learn and grow both professionally and personally.

The Company's commitment towards health and safety extends to promote a culture of health, wellbeing and psychological safety. Every employee takes responsibility for their actions' impact on others and on the workplace and engages in meaningful, open and respectful advice.

The Company is committed to Diversity and Inclusivity in the Organisation. Various Women-friendly policies have created an ecosystem over the years that enable women to work and contribute to the Organisation. Maternity Benefits as well as Day care facilities are provided to further support female employees in advancing their careers. The Company believes in meritocracy and has a robust appraisal system in place for having a fair evaluation without any gender bias.

The Company believes and will continue to invest in the employees' professional development, emphasising responsible growth and innovation. The Company fosters a commitment to address patient needs, contribute to community well-being and environmental sustainability.

The Company has a diverse workforce of 14,916 employees as on 31st March, 2024 vis-à-vis 13,573 employees as on 31st March, 2023.

VIGIL MECHANISM

The Company has built a strong reputation over the years for conducting its business with honesty and integrity and has exhibited zero tolerance towards any form of unethical behavior or misconduct.

Our commitment to professionalism, fairness, dignity, and ethical conduct is reinforced through a robust reporting system for all its employees and stakeholders detailed in the Corporate Governance Report.

This reporting system not only encourages the reporting of unethical behavior but also ensures the protection of whistle blowers, granting them direct access to the Audit Committee. Our Code of Business Conduct articulates important corporate ethical practices that shapes our business operations and represent our core values.

Both the Whistle blower Policy and Code of Business Conduct are accessible on our website at www.torrentpharma.com demonstrating our commitment to transparency and accountability.

Furthermore in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder, the Company has formulated a Policy on protection of women against sexual harassment at workplace. In this context, the Company regularly organises a series of interactive awareness workshops for its employees. The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the formation of Internal Complaints Committee. During the year, no complaints were received under this policy.

In addition, the Company has in place the Human Rights Policy defining the guiding principles for respecting and protecting the Human Rights across the Company's operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. During the year, the Company was required to spend ₹ 29.65 crore (2% of the average net profit of the past three financial years). The total amount spent during the year was ₹ 40.96 crore. Further, the unspent amount at the end of the year was transferred to "Unspent CSR Account". The brief details of the major CSR activities are described hereunder:

REACH: Driven by the belief of Chairman Emeritus, Sudhir Mehta '**Children are the future of our nation and this future must be well preserved**', the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of UNM Foundation, a Section 8 Company ("UNMF").

In the past years, UNMF adjusted its approach towards community healthcare initiatives, which are now carried out in two distinct categories viz. Outreach Activities and Medical Services.

Outreach Activities

Targeting baseline health of children, these activities are designed to improve the health and well-being of children in underserved communities, establishing a foundation for a healthy future. Under this programme, UNMF organises baseline screening camps across various villages covered in three states including Gujarat, Maharashtra, Uttar Pradesh and Union Territory of Diu, Daman and Dadra Nagar Haveli. Children are screened for anaemia and malnourishment; necessary interventions are taken for possible improvement.

1,50,000+	1,600+
Children screened through grassroot interventions	Villages covered (Gujarat, Maharashtra, Uttar Pradesh, Union Territory – Diu, Daman and Dadra Nagar Haveli)
58%	89%
Children out of malnourishment	Children out of anemia

Expanding Outreach to More Lives

In 2023-24, UNMF expanded its initiatives in more than 600 villages targeting to cover cumulative total of 1,600 villages and screened additional 31,000 children totalling more than 1,50,000 children on a cumulative basis. UNMF plans to extend its interventions to over 400 additional villages in the year 2024-25 with this, we will be able to reach a total of 2,000 villages and make a positive impact on the health of both anaemic and malnourished children. To enhance its impact, UNMF plans to expand its community interventions in villages nearby Dholera, Junagadh and Naswadi in Gujarat and Agra in Uttar Pradesh.

Adolescent girls' Healthcare and Sanitation

One of the Company's initiatives was focused on empowering adolescent girls in rural areas by addressing the taboo associated with menstruation and promoting menstrual hygiene. The programme included interventions to encourage the use of sanitary napkins and provide education on menstrual hygiene. Female volunteers / employees conducted counselling sessions and distributed sanitary napkins to 11 to 18 years old menstruating adolescent girls in SUGEN, Dahej, Indrad, Banaskantha and Radhanpur.

During 2023-24, UNMF has distributed bio-degradable reusable sanitary napkins to additional 27,000 adolescent girl beneficiaries owing to definite advantages like environment friendly and can be reused for 15 to 18 months after simple wash. Till 31st March, 2024; 64,000 beneficiaries have been served with these unique sanitary pads.

72,000+	1200+
Adolescent girls benefited	Villages covered in cumulative basis

Medical Services – UNM Children Hospital & PHC:

UNMF offers medical services to children up to 18 years of age who live in remote areas with limited access to medical facilities. The initiative involves setting up multidisciplinary UNM Children Paediatric Health Centres to provide free medical consultation, basic laboratory services, and medication to underprivileged children. In 2017, UNMF had launched four paediatric centres in SUGEN, Dahej, Indrad, and Balasinor of Gujarat with a focus on outpatient departments (OPDs). In 2020, UNMF achieved a significant milestone by transforming the SUGEN paediatric centre into a 150-bedded hospital, providing critical care to children. Consequently, five more PHCs have been started on rented premise on once in a weekly basis at locations of Dediapada, Waghai, Naswadi, Radhanpur and Chhapi to reach to and serve beneficiaries in interior rural areas with less medical facilities.

In 2023-24, UNMF started conducting OPDs on regular basis at Naswadi and Radhanpur locations, and new Urban UNM Children PHCs at Ankleshwar and Bhestan.

Looking at the response from community, UNMF intends to establish UNM Children PHCs at Dholera and Junagadh rural locations and 2 at urban areas in next year.

Cumulative status across all 10 UNM Children PHCs & 1 UNM Children Hospital.

620+	1,87,000+	6,21,000+
OPDs / day	OPDs FY 2023-24	OPDs since inception

UNM Children Hospital: Enhancing Healthcare Facilities

In 2022, Torrent Group took a strategic decision to shift its focus from OPDs to surgeries, allowing the company to offer advanced surgical procedures to children in need. This decision led to the transformation of the SUGEN paediatric centre into the UNM Children Hospital, symbolising the company's commitment to providing comprehensive medical services to children. Located in Kamrej, the hospital boasts state-of-the-art infrastructure, including advanced pneumatic tube systems and cutting-edge operation theatres. With a team of highly skilled paediatric surgeons and doctors, the hospital has become a beacon of hope, attracting beneficiaries from cities across India for critical treatments.

Through UNM Children Hospital, Torrent Group has been enhancing facilities and expanding services to meet the growing healthcare demands of the community. The hospital offers specialised cardiac care and has expanded its facilities:

Particulars	Beneficiaries till March 2024 (Cumulative since April 2020)	FY 2023-24
OPD	1,17,336	61,001
IPD	4,354	2,725
Surgery	2,539	1,709
Neonatal ICU (NICU)	327	207
Paediatric ICU (PICU)	267	178

Surgical Camps: Bringing Healthcare Closer

Torrent Group conducts surgical screening camps as part of the UNM Children Hospital - Intensive Awareness Action Plan to identify and provide primary screening and consultation facilities to surgical patients in remote areas. These camps facilitate the identification of surgical needs and provide essential medical services to underserved communities.

Impact of Surgical Camps in FY 23-24

Location	Number of Surgeries
UNMCH	110
Waghai	16
Pakhajan	16
Ucchal	5
Balasinor	6
Radhanpur and Chappi	29
Total	**182**

Through these initiatives, Torrent Group is committed to improving the healthcare infrastructure and services available to communities, ensuring better health outcomes and well-being for all.

Pratiti - Public Park Development:

The Pratiti program aims to provide citizens with accessible, sustainable green spaces for leisure and recreation. The Company has successfully revamped nine parks in Ahmedabad, covering more than 98,000 square meters. The Company's commitment to maintaining these green spaces ensures their longevity and continued accessibility to the public.

All the gardens are designed and developed with a mission to provide the best environmental conditions to live in, by providing the citizens with recreational areas by creating parks, gardens, ponds, and lakes near their neighborhood with reduced level of air and noise pollution by improving micro-alignment at the city level, and to recharge groundwater through ponds and lakes.

The Company along with one of India's best-known landscape design firms conceptualised an approach for development of urban public parks.

The development / re-development of 4 parks in Ahmedabad admeasuring approx. 2,65,000 square meters area is in progress.

Lake Development:

The Company has also taken two Lakes for development at Zolapur and Kesardi villages in Sanand and Bavla districts respectively for providing the villagers with basic facilities and recreational areas. The major activities undertaken include refurbishing of crematorium, community hall & surrounding area near by temple, development of gazebo with siting arrangement, children play area, open gym area and Green belt development with walking track.

Both the lakes have been fully developed, inaugurated and opened for public use during the year.

The Report on CSR activities is annexed herewith as **Annexure A**.

ENVIRONMENT, HEALTH & SAFETY (HSE)

Our Pharmaceuticals business is built on trust and responsibility with the patients and consumers at the heart of everything we do. We are prioritising HSE at every level of our operations for protecting the planet from the challenges of climate change, preserving our natural resources and keeping our employees and communities safe. We are driven by strong HSE Policies that encompass rigid safety procedures and guidelines, environmental and sustainable programmes and employee well-being initiatives.

Statutory requirements are dynamic in nature and keeping up with HSE compliance is a foundational necessity for businesses to sustain and grow. We keep on assessing and updating our applicable statutory compliances which are being ensured through various internal and external mechanisms.

Our constant and focused endeavours in HSE domain like adopting various digitalisation in our prevailing HSE practices like Online portal for reporting Unsafe Act / Conditions and Incidents with Corrective and Preventive actions, Continual Safety training and counselling on Technical and behavioural approach, Organising various HSE Campaigns, Internal and External Safety Inspections & audits have contributed substantially to bring down incident rates and thus leading to sustainable, safe and healthy working environment for our work force and other Stakeholders. Health and Safety training is provided to all employees and contract workers on a regular basis by external and internal HSE Specialist. To foster a healthy HSE culture inside the firm, we encourage all employees, including contract workers to embrace safe working habits and behavior.

The Board remains highly engaged in overseeing ESG (Environmental, Social & Governance) progress against defined roadmap to translate our climate strategy into actions and deliver significant improvements in carbon footprint, energy & water efficiency and more efficient waste management for business sustainability.

As a commitment towards green energy resources, the Company has commissioned Hybrid (Solar & Wind) Power generation plant with an investment of ₹ 85 crores for Indrad and Bileshwarpura manufacturing facilities and R&D Centre. This generation facility is situated at Kalawad, Dist: Jamnagar, Gujarat and comprises of two wind mills having capacity of 2.7 MW each and 5.0 MW AC Solar Power plant. During FY 2023-24, 21 Mn KWH green energy has been generated reducing the environmental impact / carbon footprint significantly by 21.5% compared to previous fiscal and also resulting into an annual saving of ₹ 14.60 crores.

Further, the Company has taken one more step in the direction of optimum utilisation of renewable resources by commissioning of Agro waste based (In briquette form) boiler at its Indrad, Dahej and Baddi manufacturing facilities. In order to achieve this green initiative, the Company has invested capex of around ₹ 35 crores. This initiative has resulted into reduction in fossil fuel consumption by 38% and reducing the environmental impact / carbon footprint significantly by 39% compared to previous fiscal and also resulting into annual saving of ₹ 10 crores.

Captive renewable power generation system (Solar Roof Top – 1.7 MW) at Indrad, Bileshwarpura and Sikkim manufacturing facilities and R& D Centre contributed to generate 22 lakh KWH of green energy and annual cost saving of ₹ 1.5 crores in FY 2023-24.

Our waste management strategy commits us to finding ethical, economical, and efficient ways to reduce the volume and minimise our waste foot print. It also goes further, with a commitment to maximise recovery of resources and improve operating efficiency while reducing environmental risks and impacts.

Incineration of Hazardous waste disposal from all manufacturing facilities have been reduced by 52% from previous year. The majority of waste quantity is diverted from incineration to co-processing (Energy Recovery) in cement industries.

Land fillable Hazardous waste disposal from all manufacturing facilities have been reduced by 35% from previous year. Generation of land fillable quantity has been reduced and in addition to this, majority of waste quantity is diverted from landfill to co-processing (Energy Recovery) in cement industries. Almost 50% of manufacturing facilities in operation have achieved target of zero landfill waste disposal. We aspire to achieve remarkable reduction in disposal quantity and to continue our efforts for remaining sites to become Zero Landfill Hazardous waste.

The majority of waste quantities are diverted from incineration and landfilling to co-processing (Energy Recovery) in cement industries.

Under the Plastic Waste Management Rules, 2016 and its subsequent amendment, the Company is registered as a Brand Owner with Central Pollution Control Board (CPCB). As an extended producer's responsibilities (EPR), the Company is collecting back 100% equivalent quantity of plastic waste across PAN India and disposing them off safely.

All our manufacturing facilities across India including few functions at our Corporate Office are certified for ISO 14001:2015 (Environment Management System) and 45001:2018 (Occupational Health & Safety Management System). Two Manufacturing facilities and R&D Centre of the Company are also accredited with ISO 50001:2018 (Energy Management System).

Our goal is "Zero Harm, Zero Injury, Zero Accident". We have been striving to achieve it by having state-of-the art system, process & trained / skilled manpower.

In line with our sustainability goals, we are committed to reduce carbon emissions and energy consumption. To achieve this goals, we have developed action plans to utilise hybrid renewable sources such as solar and wind power, bio- briquettes, flash steam systems and heat pumps.

FINANCE

(a) Share Capital

As on 31st March, 2024 the Authorised Capital of the Company is ₹ 235 crores, divided into 42 crores Equity Shares of ₹ 5/- each and 25 Lakh Preference Shares of ₹ 100/- each.

(b) Deposits and Loans, Guarantees and Investments

The Company has neither accepted nor renewed any deposits. None of the deposits earlier accepted by the Company remained outstanding, unpaid or unclaimed as on 31st March, 2024.

Details of Loans, Guarantees and Investments by Company under the provisions of Section 186 of the Companies Act, 2013, during the year, are provided in Note 10 and 11 to the Standalone Financial Statements.

(c) Debentures and other debt instruments

The outstanding amount of Non-Convertible Debentures issued by the Company is ₹ 785.70 crores as on 31st March, 2024.

(d) Contracts or Arrangements with Related Parties

All Related Party transactions are entered in compliance to the provisions of law, the Policy on Materiality of and dealing with Related Party Transactions ("Related Party Policy") and were entered with the approval of Audit Committee, Board and Shareholders if and as applicable. All the related party transactions were entered into during the financial year were on arm's length basis. Further there were no related party transactions which could be considered material based on the definition of material transaction as mentioned under explanation to Sub Regulation (1) of Regulation 23 of the the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for 2023-24 and hence does not form part of this report.

(e) Internal Financial Control System

The Company has a formal framework of Internal Financial Control ("IFC") in alignment with the requirement of Companies Act, 2013 and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

Accordingly, the Company has a well-placed, proper and adequate IFC system, which ensures:

- 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.

The Board reviews the effectiveness of controls documented as part of IFC framework, and take necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology controls.

Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. 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. The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

(f) Material changes affecting the Company

No material changes and commitments have occurred after the close of the year till the date of this Report which may affect the financial position of the Company.

INSURANCE

The Company's manufacturing facilities, properties, equipment and stocks are adequately insured against all major risks including loss on account of business interruption caused due to property damage. The Company has appropriate liability insurance covers particularly for product liability, clinical trials and cyber liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

BUSINESS RISK MANAGEMENT

Risk Management is an integral part of our strategy for stakeholders' value enhancement and is embedded in to governance & decision making process across the Organisation. The Company has in place the Risk Management Policy to ensure effective responses to strategic, operational, financial and compliance risks faced by the Organisation.

As a part of this Policy, all the risks are discussed and deliberated with the concerned functional heads and business process owners to continually identify, assess, mitigate and monitor risks across the entity, its business functions and units. The Policy also encompasses identification, assessment and mitigation of ESG risks. The Risk Management Committee meets periodically to assess and deliberate on the key risks and adequacy of mitigation plan. It has formulated a comprehensive 'Risk Register', which is periodically updated to capture new risks / threats augmenting from changes in internal / external environment. Inputs from risk assessment are also embedded into annual internal audit programme. Key risks and mitigation measures are summarised in Management Discussion and Analysis section of the Annual Report.

SUBSIDIARIES & JOINT VENTURES

As of 31st March, 2024, the Company has 17 subsidiaries, out of which 3 are step down subsidiaries.

During the year, Farmaceutica Torrent Colombia SAS, wholly owned subsidiary of the Company was incorporated on 03rd January, 2024.

The highlights of performance of major subsidiaries of the Company have been discussed and disclosed under the Management Discussion and Analysis section of the Annual Report. The contribution of each of the subsidiaries in terms of the revenue and profit is provided in Form AOC-1, which forms part of the Annual Report.

The details of UNM Foundation, associate company of the Company is also shown in the AOC-1. This associate company is Section 8 Company and primarily floated with another company of the Torrent group to carry out the CSR activities.

The annual accounts of the subsidiary companies will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member of the Company at the Registered Office of the Company on any working day during business hours up to the date of the AGM. The annual accounts of the subsidiary companies are also available on the website of the Company at **www.torrentpharma.com**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Board of Directors

The Board of Directors of the Company is led by the Executive Chairman and comprises ten other Directors as on 31st March, 2024[1], including two Whole Time Directors and seven Independent Directors which includes two Women Directors and one Non-Executive Director (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 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the year under review:

- Sudhir Mehta (holding DIN 00061871), Chairman Emeritus, has stepped down as Non-Executive, Non-Independent Director of the Company on 31st March, 2024 with a desire to spend more quality time with family and on social causes. The Board put on record its deep appreciation for the pioneer role played by him in building up the Company. He will continue to be Chairman Emeritus of the Company without holding any position on the Board of Directors of the Company.
- Shailesh Haribhakti (holding DIN 00007347) and Haigreve Khaitan (holding DIN 00005290), Independent Directors of the Company, who were appointed for second and final term for a period from 01st April, 2019 to 31st March, 2024 ceased as Directors on the Board of the Company on 31st March, 2024 pursuant to completion of second and final term. The Board put on record its sincere appreciation for the valuable role played by them in guiding the functioning of the Board and its Committees.

The Board places on record its profound appreciation for the guidance & support provided by them for overall growth of the Company.

During the last AGM held on 07th August, 2023, the members approved appointment of Nikhil Khattau (holding DIN 00017880) as an Independent Director of the Company for a term of 5 (five) consecutive years effective from 01st October, 2023.

[1] Shailesh Haribhakti and Haigreve Khaitan have completed their tenure as Independent Directors of the Company on 31st March, 2024 and Sudhir Mehta has stepped down as Director of the Company effective 31st March, 2024.

In the opinion of the Board, the directors appointed during the year possess requisite expertise, integrity and experience (including proficiency) for appointment as Independent Directors of the Company.

Jinesh Shah (holding DIN 00406498), Whole time Director, is liable to retire by rotation at the forthcoming AGM. He has expressed his desire to step down as the Director of the Company and not getting re-appointed.

Samir Mehta (holding DIN 00061903) has been re-appointed by the Board of Directors in its meeting held on 24th May, 2024 as Executive Chairman of the Company for the period of 5 years with effect from 01st April, 2025, subject to approval of the Members.

On the recommendation of Nomination and Remuneration Committee, the Board appointed Jinal Mehta (holding DIN 02685284) as an Additional (Non-Executive Non-Independent) Director of the Company effective 24th May, 2024 subject to approval of shareholders in the next General Meeting of the Company or within the period of three months from the date of appointment, whichever is earlier. The Board has recommended the appointment of Jinal Mehta (holding DIN 02685284) as a Director to the Members at the ensuing AGM.

The brief resume and other relevant information of the Directors being appointed / re-appointed is given in the explanatory statement to the Notice convening the AGM, for your perusal.

(b) Meetings of Board of Directors

Regular meetings of the Board are held to review performance of the Company, 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, five meetings of the Board of Directors were convened and held on 02nd May, 2023, 30th May, 2023, 07th August, 2023, 23rd October, 2023 and 02nd February, 2024. 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) Audit Committee

The composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The composition of the Committee as on 31st March, 2024 is given below:

Name of Director	Category of Directorship
Shailesh Haribhakti, Chairman[1]	Independent Director
Haigreve Khaitan[2]	Independent Director
Ameera Shah	Independent Director
Nayantara Bali	Independent Director
Dr. Maurice Chagnaud	Independent Director
Nikhil Khattau[3]	Independent Director

[1] Shailesh Haribhakti ceased to be Member and Chairman of the Committee due to completion of his term on the Board on 31st March, 2024.

[2] Haigreve Khaitan ceased to be Member of the Committee due to completion of his term on the Board on 31st March, 2024.

[3] Nikhil Khattau was appointed as the Member of the Committee with effect from 14th October, 2023 and as Chairman of the Committee with effect from 24th May, 2024.

During the year, the Board has accepted all the recommendations made by the Audit Committee.

(d) Appointment of Directors

(i) Criteria for Appointment of Directors

The Board of Directors of the Company has identified following criteria for determining qualification, positive attributes and 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 organisation;
   - have relevant experience (in exceptional circumstances, specialisation / 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.

   The key qualifications, skills and attributes which the Board is collectively expected to have for the effective discharge of their duties are explained in Corporate Governance Report 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 delibrates the matter and recommends such proposal to the Board.

Board considers 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 along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals, to familiarise the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having a significant impact on the operations of the Company and the pharmaceutical industry as a whole. Site visits to various plant locations and CSR sites get organised for the Directors to enable them to understand the operations of and CSR activities carried out by the Company. The Independent Directors also meet with senior management team of the Company in formal / informal gatherings.

The details of such familiarisation programs for Independent Directors are posted on the website of the Company and can be accessed at **https://www.torrentpharma.com/pdf/cms/Familiarisation_Programme_2023-24.pdf**

(f) Board Evaluation

The Evaluation of Board, its Committees, Individual Directors (Independent and Non Independent Directors) and Chairperson was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the NRC:

- Chairperson of meeting of Independent Directors briefed the Board that the Independent Directors have carried out the performance evaluation of the Board as a whole, its committees, the Non-Independent Directors, Chairman and flow of information between the management and the Board.
- The evaluation of Chairperson was co-ordinated by the Chairperson of the Independent Directors meeting.
- Pursuant to above, the Board expressed the satisfaction on the functioning of the Board, the Committees and performance of Individual Directors.
- The Independent Directors met on 02nd February, 2024 with respect to the above process.

(g) Key Managerial Personnel

There was no change in the Key Managerial Personnel during the year under review.

(h) Directors' Responsibility Statement

In terms of Section134(3)(c) of the Companies Act, 2013, in relation to financial statements of the Company for the year ended 31st March, 2024, the Board of Directors state that:

i. the applicable Accounting Standards have been followed in preparation of the financial statements and there are no material departures from the said standards;

ii. 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, 2024 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; 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 Remuneration policy covers the remuneration for the Directors (Chairman, Managing Director, Whole-time Directors, Independent Directors and other non-executive Directors) and other employees (under senior management cadre and management cadre). The Policy has been formulated with the following key objectives:

- To ensure that employee remuneration is in alignment with business strategy & objectives, organisation values and long-term interests of the organisation.
- To ensure objectivity, fairness and transparency in determination of employees' remuneration.
- To ensure the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate a high performance workforce and are in compliance with all applicable laws.

It covers various heads of remuneration including benefits for Directors and employees. It also covers the process followed with respect to annual performance reviews and variables considered for revision in the remuneration. The said Policy is available on the website of the Company **www.torrentpharma.com**.

(b) Criteria for Remuneration to Non-Executive Directors (NEDs):

1. 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 and is subject to the condition that total commission paid to the NEDs shall not exceed the 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.

   Further, as per the Regulation 17(6)(ca) of the Listing Regulations, approval of the shareholders by special resolution shall be required every year, in which the annual remuneration payable to a single NED exceeds fifty per cent of the total annual remuneration payable to all NEDs, giving details of the remuneration thereof.

2. The Board or its Committee specifically authorised for this purpose, determines the manner and extent upto which the commission is paid to the NEDs within the limit as approved by the Members. The commission is determined based on the participation of the Directors in the meetings of Board and / or Committees thereof, as well as on industry practice, performance of the Company and contribution by the Directors, etc.

3. Payment of Commission is made annually on determination of profit.

4. Sitting fees of ₹ 1 lakh is paid to Independent Directors for each meeting of the Board or any Committee thereof attended by them.

5. Independent Directors are 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) Remuneration to Managerial Personnel

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

(d) Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in the **Annexure B** to this Report.

AUDITORS

(a) Statutory Auditors

As per Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the members of the Company in Forty Ninth AGM of the Company approved the re-appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of Forty Ninth AGM until the conclusion of the Fifty Forth AGM to be held with respect to the financial year 2026-27.

(b) Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has prepared and maintained the cost accounts and records for the year 2023-24.

The Company has appointed M/s. Kirit Mehta & Co., Cost Accountants, Mumbai (Firm Registration No. 000353) as the Cost Auditors of the Company for audit of cost accounting records of its activities (Formulation & Bulk Drugs activities) for the financial year ended 31st March, 2024. The Cost Audit Report to the Central Government for the financial year ended 31st March, 2023 was filed on 02nd September, 2023, within the statutory timeline. Further, the Board of Directors has appointed M/s. Kirit Mehta & Co. as the Cost Auditor of the Company for the financial year 2024-25 and fixed their remuneration, subject to ratification by the Members in the ensuing AGM of the Company.

(c) Secretarial Auditor

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/s. M. C. Gupta & Co., Company Secretaries, as the Secretarial Auditors of the Company to conduct the Secretarial Audit as per the provisions of the Companies Act, 2013 for the year 2023-24.

M/s. M. C. Gupta & Co. have carried out the Secretarial Audit accordingly and their report in Form MR-3, is annexed with this Report as **Annexure C**. There were no qualification / observations in the report.

During the year 2023-24, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

CORPORATE GOVERNANCE

As required by Regulation 34 read with Schedule V of the Listing Regulations, 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 E of Schedule V of the Listing Regulations forms part of this Report as **Annexure D**.

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link **https://torrentpharma.com/index.php/investors/annual_return**

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 E**.

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 and various State Governments specifically the Governments of Gujarat, Himachal Pradesh, Sikkim, Madhya Pradesh and Andhra Pradesh 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

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
24th May, 2024

ANNEXURE A TO THE DIRECTORS' REPORT

Annual Report on CSR Activities for FY 2023-24

1. Brief outline on CSR Policy of the Company:

- Torrent has always been committed to the cause of social service and has consistently channelised a part of its resources and activities, such that it positively impact the society socially, ethically and also environmentally. The Company has taken up various CSR initiatives improving the quality of life of the people and making quality value addition to the society.
- The Company channelises its CSR activities in light of its guiding principle as enumerated by its founder - Shri U. N. Mehta: ***"Giving back to the society, for all the years of care, support and nurturance that is being bestowed upon the organisation"***.
- The Policy focuses on three thrust areas in which CSR activities are planned - (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement and (c) Social Care & Concern.
- The CSR Activities are conducted, preferably in areas where the Company has industrial or business presence, after approval of the Corporate Social Responsibility and Sustainability Committee ("CSRS Committee") and the Board.
- CSR Activities are conducted by implementing agencies, which include section 8 company / registered public trust / registered society established by the Company / an external entity engaged in CSR activities etc.

2. Composition of Corporate Social Responsibility and Sustainability Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSRS Committee held during the year / tenure	Number of Meetings of CSRS Committee attended during the year
1	Nayantara Bali	Chairperson / Independent Director	2	2
2	Shailesh Haribhakti[1]	Member / Independent Director	2	2
3	Manish Choksi	Member / Independent Director	2	2
4	Jinesh Shah	Member / Whole-time Director	2	2

1. Shailesh Haribhakti ceased to be the Member of the Committee due to completion of his term on the Board on 31st March, 2024.

3. Provide the web-link(s) where Composition of CSRS Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

CSRS Committee: **https://www.torrentpharma.com/pdf/cms/Composition_Of_Various_Committees_Of_Board_Of_Directors.pdf**

CSR Policy: **https://www.torrentpharma.com/pdf/investors/CSRPolicy.pdf**

CSR Projects: **https://www.torrentpharma.com/index.php/investors/csr**

4. Provide the executive summary along with web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, If applicable:

Not applicable for financial year 2023-24.

5. **(a) Average net profit of the Company as per sub-section (5) of section 135:** ₹ 1,482.33 crores
   (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 29.65 crores
   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: ₹ 0.60 crore
   (d) Amount required to be set-off for the financial year, if any: Nil
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 30.25 crores

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 40.96 crores

(b) **Amount spent in Administrative Overheads:** Nil

(c) **Amount spent on Impact Assessment, if applicable:** Nil

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 40.96* crores

(e) **CSR amount spent or unspent for the Financial Year:**

Total amount spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40.96*	11.30**	26th April, 2024		Nil	

* Including ₹ 18.53 crores spent during the financial year on ongoing projects, out of unspent amount pertaining to earlier financial year.

** Including ₹ 0.13 crore surplus arising at implementing agency level from temporary investment of the funds in FY 2023-24.

(f) **Excess amount for set-off, if any:** Nil

Sr. No.	Particulars	Amount (₹ in crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (₹ in crores)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (₹ in crores)**	Amount spent in the Financial Year (₹ in crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of transfer		
1	2022-23	21.42	21.42	18.53	Nil	---	2.89^^	--
2	2021-22	17.58*#	0	0	Nil	---	--	--
3	2020-21	4.73^	0	0	Nil	---	--	--

* Including an amount of ₹ 0.37 crore transferred to unspent account pertaining to earlier years

** Unspent as on 01st April, 2023

^ Spent during FY 2021-22

\# Spent during FY 2022-23

^^ Excluding an amount of ₹ 0.21 crore surplus arising at implementing agency level from temporary investment of funds in FY 2023-24

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created / acquired 27

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sr No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (₹ in Lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Furniture & fixtures, Electrical appliances, medical equipments and Solar lights	737135	26th March, 2024	14.30	Not Applicable	Ward Panchayat, Chubba	Chubba Panchayat, 32 no Middle Camp, NH 10 East Sikkim
2	Furniture & fixtures	737134	28th March, 2024	4.27	Not Applicable	CMO - District hospital	District Hospital, Singtam, East Sikkim
3	RO Drinking water dispenser	737134	18th March, 2024	0.28	Not Applicable	Bagheykhola. Nagar Panchayat	Samaj Sudhar Samity Bagheykhola. Nagar Panchayat, Sikkim
4	Solar Lights	737134	26th March, 2024	1.72	Not Applicable	Bagheykhola. Nagar Panchayat	Bagheykhola Nagar Panchayat, Bagheykhola, Pakyong District, Sikkim
5	Electrical Appliances	737106	17th August, 2023	0.60	Not Applicable	Panchayat office	Namcheybong Samaj Kalayan Sangh, Pakyong District, Sikkim
6	Electrical Appliances, Sewer Suction Vehicle & Water tank	737132	20th March, 2024	31.75	Not Applicable	President Nagar Panchayat	Rangpo Nagar Panchayat, Rangpo East Sikkim
7	Xerox Machine	737134	21st March, 2024	0.43	Not Applicable	Principal - Govt. Senior. Sec. School Singtam	Government Senior Sec.School Singtam, Sikkim
8	Electrical Appliances	737136	28th June, 2023	0.21	Not Applicable	Principal - Majitar School	Majitar Govt. school, Rangpo, Pakyong District, Sikkim
9	RO Drinking water dispenser	737132	18th March, 2024	0.56	Not Applicable	Principal - Sec. School Pachak	Government Sec. School Pachak, Pakyong District, Sikkim
10	Electrical Appliances	737134	20th March, 2024	1.65	Not Applicable	Ward Panchayat	Nazitam Ward Panchayat Martam, Singtam, East Sikkim

(1)	(2)	(3)	(4)	(5)	(6)		
Sr No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (₹ in Lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
11	Electrical Appliances & Furniture and Fixtures	737134	20th March, 2024	1.24	Not Applicable	Ward Panchayat	Santi Kalyan Samati Upper tanak, Ward TemiNamphing, constituency, Sikkim
12	Sewing Machines	173024	12th September, 2023	0.99	Not Applicable	Gram Panchayat	Sirmouri Mandir, Jahar,Sarah BDO Pachhad, Himachal Pradesh
13	Electrical Appliances	173205	12th September, 2023	0.18	Not Applicable	Govt Primary School	Village Gullarwala Baddi 173205, Himachal Pradesh
14	Wheel chairs & RO Water Dispensers	173205	31st March, 2024	0.35	Not Applicable	Gram Panchayat	Village Gullarwala Baddi 173205, Himachal Pradesh
15	Electrical Appliances	173205	14th December, 2023	0.74	Not Applicable	Govt Primary School	Village Bhud Baddi 173205, Himachal Pradesh
16	Furniture & Fixtures and Electrical Appliances	173205	12th December, 2023	0.41	Not Applicable	Govt Primary School	Village Makhnumajra Baddi 173205, Himachal Pradesh
17	Furniture & Fixtures and Wheel Chairs	173029	30th November, 2023	1.89	Not Applicable	Gram Panchayat	Gram Panchayat Titiana Sirmour 173029, Himachal Pradesh
18	CCTV Cameras	174004	15th November, 2023	3.29	CSR00032512	Chetna Trust	Swami Vivekanand Mem School Kandraur Bilaspur 174004, Himachal Pradesh
19	CCTV Cameras	173205	26th December, 2023	0.82	Not Applicable	Govt Primary School	Village Makhnumajra 173205, Himachal Pradesh
20	Wheel Chairs	177601	30th December, 2023	2.34	Not Applicable	Paryas Society	Awah Devi Tehsil Bamsan (Toni Devi)Hamirpur 177601, Himachal Pradesh
21	Electrical Appliances & Toilet building	173205	31st March, 2024	7.58	Not Applicable	Govt Primary School	Village Baddi 173205, Himachal Pradesh
22	Electrical Appliances	173205	31st January, 2024	0.10	Not Applicable	Gram Panchayat	Village Gullarwala & Bhud Baddi 173205, Himachal Pradesh
23	Furniture & Fixtures and Wheel Chairs	173205	04th March, 2024	0.40	Not Applicable	Gram Panchayat	Vill Malpur Baddi 173205 (HP)
24	Furniture & Fixtures and Wheel Chairs	173205	18th March, 2024	1.91	Not Applicable	Gram Panchayat	Village Lehi Baddi 173205, Himachal Pradesh
25	Furniture & Fixtures and Wheel Chairs	176093	13th March, 2024	1.26	Not Applicable	Gram Panchayat	Vill Roda Malkhera Kangara , 176093, Himachal Pradesh
26	Drinking Water Cooler	173029	31st March, 2024	0.22	Not Applicable	Gram Panchayat	Vidhyalay Pravandhan simiti Saton Sirmour 173029, Himachal Pradesh
27	Medical Equipments located at UNM Children Hospital, Sugen Mega Power Project, Off. N. H. 48, Vill. Akhakhol, Tal. Kamrej, Surat, Gujarat	394155	26th March, 2024	522.70	CSR00004202	UNM Foundation	'Samanvay'', 600 Tapovan, Ambawadi, Ahmedabad - 380015, Gujarat

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. : Not Applicable.

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
24th May, 2024

Nayantara Bali
Chairperson CSRS Committee
DIN:03570657

Mumbai
24th May, 2024

ANNEXURE B TO THE DIRECTORS' REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2023-24 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the year 2023-24 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median Remuneration of employees	% increase in Remuneration in the year 2023-24
1	Sudhir Mehta	Chairman Emeritus	NA(1)	NA(1)
2	Samir Mehta	Executive Chairman	381.13(2)	13.04(2)
3	Shailesh Haribhakti	Independent Director	9.82	(24.72)
4	Haigreve Khaitan	Independent Director	7.91	(34.94)
5	Ameera Shah	Independent Director	7.18	(28.99)
6	Nayantara Bali	Independent Director	9.82	(15.19)
7	Dr. Maurice Chagnaud	Independent Director	9.23	(11.27)
8	Manish Choksi	Independent Director	6.30(3)	--(3)
9	Nikhil Khattau	Independent Director	3.81(4)	--(4)
10	Jinesh Shah	Whole-time Director	108.96(2)	26.29(2)
11	Aman Mehta	Whole-time Director	79.65(2)(5)	--(2)(5)
12	Sudhir Menon	Chief Financial Officer	NA	26.65(2)
13	Chintan Trivedi	Company Secretary	NA	--(6)

(1) Sudhir Mehta though eligible for commission, has foregone his right to receive the same and has not taken any remuneration.

(2) Also entitled to group personal accident and group mediclaim policy.

(3) Manish Choksi appointed as an Independent Director w.e.f. 29th July, 2022. Hence remuneration paid during 2022-23 was for part of the year and not comparable with 2023-24.

(4) Nikhil Khattau appointed as an Independent Director w.e.f. 01st October, 2023 and no remuneration was paid to him during the year 2022-23.

(5) Aman Mehta appointed as Whole-time Director w.e.f. 01st August, 2022. Hence remuneration paid during 2022-23 was for part of the year and not comparable with 2023-24

(6) Chintan Trivedi designated as Company Secretary and Compliance Officer w.e.f. 01st August, 2022. Hence remuneration paid during 2022-23 was for part of the year and not comparable with 2023-24.

B. The percentage increase in the median remuneration of employees in the financial year under review is 8.66%. The employees whose remuneration is determined based on negotiations, employees who have not received the increment for full year and the employees at representative offices of the Company abroad have been excluded for this purpose.

C. The Company has 14,916 employees on the rolls of Company as on 31st March, 2024.

D. The increase made in the salaries of employees other than managerial personnel during the year under review was 10.39% while the increase in managerial remuneration was 15.74%.

E. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

F. The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing AGM. Any shareholder interested in obtaining a copy of such statement may write to the Company Secretary at the Registered Office of the Company.

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
24th May, 2024

ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MR - 3

Secretarial Audit Report
for the financial year ended 31st March, 2024

[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,

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 authorised 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, 2024 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, Ahmedabad – 380 009 for the financial year ended on 31st March, 2024 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 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, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

  (e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

  (f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

  (g) 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;

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**

  (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**.

(vi) The Company has complied with the following other specific 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, 2013

  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.

(ii) Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

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.

All the decisions were taken unanimously in the Board & its committees.

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 except the following:

1. The 50th Annual General Meeting (AGM) of the members of the Company was held on 07th August, 2023 through Video Conferencing in terms of MCA Circulars 14/2020, 17/2020 and 10/2022 at which the members of the company, interalia, had accorded their approval to the appointment of Mr. Nikhil Khattau (DIN 00017880) as an Independent Director for a period of 5 years with effective from 01st October, 2023 and also to raising of the funds by issuance of one or more kinds of securities for an amount of up to ₹ 5000 crores.

2. Mr. Shaan Mehta, a relative of directors was appointed as General Manager of the Company with effect from 01st December, 2023 and his appointment had been approved by the members through Postal Ballot on 27th November, 2023, for which e-voting was available from 28th October, 2023 to 26th November, 2023.

For M. C. Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review: 5380/2023
UDIN: F002047F000438747

Place: Ahmedabad
Date: 24th May, 2024

Note: This Report is to be read with Our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure-A

To,
The Members,
Torrent Pharmaceuticals Limited,

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. C. Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review: 5380/2023
UDIN: F002047F000438747

Place: Ahmedabad
Date: 24th May, 2024

ANNEXURE D TO THE DIRECTORS' REPORT

Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Torrent Pharmaceuticals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st September 2022 and addendum to the engagement letter dated 25th April 2024.
2. We have examined the compliance of conditions of Corporate Governance by Torrent Pharmaceuticals Limited ("the Company"), for the year ended 31st March 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2024.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 24048648BKFQHT5505

Place: Mumbai
Date: 24th May 2024

ANNEXURE E TO THE DIRECTORS' REPORT

Particulars required under the Rule 8(2) of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

1. Steps taken or impact on conservation of energy:

During the year, the Company has met its core objective of reducing its carbon footprint by making efficient use of resources in its business operations. It has taken following steps for conservation of energy:

- Commissioned Hybrid Power generation plant comprising of 2 (two) wind mills of 2.7 MW each and 5 MW AC solar power plant at Kalavad, Jamnagar, Gujarat. During 2023-24, 21 Mn KWH green energy has been generated reducing the environmental impact / carbon footprint (Scope 2) significantly by 21.5% compared to previous fiscal.
- Commissioned the new boilers with bio-fuel (briquette / agro waste / biomass) at Indrad, Dahej and Baddi manufacturing facilities leading to total reduction in fossil fuel consumption by 38% and reducing the environmental impact / carbon footprint (Scope 1) significantly by 39% compared to previous fiscal.
- Installation of Heat pumps at Dahej & Sikkim manufacturing facilities resulting in saving of 7,000 ton steam per annum.
- Total installed solar roof top power generation capacity achieved by 1.70 MW with additional installation 50 KW at R&D Centre and 20 KW at Sikkim manufacturing facility leading to energy generation of 0.7 lakh KWH.
- Installation of energy efficient equipments at all locations resulting into savings of 1 lakh KWH energy per annum.
- Power factor maintained at near unity at all manufacturing facilities resulted in curtailment of power losses and rebate from State Electricity Board.
- Multi Effect Evaporator ("MEE") / Agitated Thin Film Dryer ("ATFD") high cost operation optimised by process improvement like treatment of softener wastewater and condensate which reduced MEE Operation and resulted into savings of 1,000 tons of steam and 1 lakh KWH energy.
- Optimisation of Manufacturing operation and cleaning which resulted in reduction in hazardous waste generation by 13% compared to last fiscal.

2. Steps taken by the Company for utilising alternate source of energy:

To meet the sustainability goals, the Company has taken following steps to reduce the dependency on conventional source of energy:

- Apart from in-house generation of solar energy, the Company commissioned outside renewable energy generation facility at Kalavad, Jamnagar replacing the conventional carbon foot print generating electricity sources;
- Significantly reduced the usage of Non-renewable fuel at Indrad, Dahej and Vizag manufacturing facilities with renewable fuel (Briquette / Biofuel) thereby reducing the carbon foot print of the Company;
- Installation of Solar rooftops at three manufacturing facilities and R&D Centre. Additional capacity of 50 KW & 20 KW installed this year at R&D Centre and Sikkim manufacturing facility respectively.

3. The capital investment on energy conservation equipments:

- Briquette fired boiler at Indrad, Dahej & Baddi manufacturing facilities with an investment of more than ₹ 35 crores.
- Hybrid Power (Solar and Wind) generation for Indrad and Bileshwarpura manufacturing facilities and R&D Centre with investment of ₹ 85 crores.
- Overall ₹ 5 crores invested for other energy efficient equipment like Heat Pumps, solar roof top, energy efficient blowers etc at all locations.

B. Technology Absorption

Particulars with respect to technology absorption are given below:

1. Efforts made towards technology absorption:

- Commissioning of advanced Higher Capacity (4,000 Ltr) Blender, auto-coater, compression machine with AWC, Automated Tray Dryer & Blister Packing machine at Baddi and Sikkim manufacturing facilities to improve productivity and quality.
- Optimisation of overall area utilisation and manufacturing process by increasing batch size of 35 high volume SKU and yield improvement of 80 SKUs across different manufacturing facilities.
- IQMS Software rolled out for collecting and compiling process test results for storage and traceability at Dahej manufacturing facility.
- Transitioned Batch Manufacturing Records (BMR) and Batch Packing Records (BPR) into digital form at Dahej manufacturing facility which will assist in ensuring compliance with stringent regulatory requirements.
- Installation of automated Clean In Place (CIP) system for equipment such as FBP / FBD / Autocoater demonstrating our commitment to maintain stringent cleanliness standards and meeting regulatory requirements at Indrad, Bileshwarpura and Dahej manufacturing facilities.
- Sachet filling line equipped with Checkweigher and X-Ray based metal detection system put to use at Dahej manufacturing facility.
- Advanced Tube & airless pumps filling Lines along with secondary packaging at Pithampur manufacturing facility to enhance accuracy and precision during filling along with multipurpose filling machine.
- Spray Drying technology procured at Bileshwarpura manufacturing facility to enhance solubility and bioavailability of Active Pharmaceutical Ingredients.
- Implemented track and trace system to combat counterfeiting of product. Our packaging lines are comprehensively designed and equipped to meet the requirement of falsified medicine directive for EU products and serialisation on US-bound packaging. The Track and Trace system are also capable to comply serialisation related requirement for countries like Brazil, Russia, Uzbekistan, Bahrain etc.

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

At Torrent Pharma, we keep on exploring and adopting new technology and processes for improvement in product, operation, product quality, safety & environment standards. The Company has implemented various measures viz. Installation of multiple machines, Machine upgradation and capacity and capability enhancement to improve production, safety and reliability of operations in all its manufacturing facilities.

The technologies adopted so far have given us the benefits in terms of Cost Optimisation, energy efficiency and resource conservation. The Company continues to put efforts to regularise alternate sources of raw materials usage via procuring from across globe, including in-house technology development and implementation, as a part of cost reduction, import substitution and to ensure consistency in product availability. Modern approach with automation in process is adopted for better control.

3. **Information of technology imported during last three years:**

Sr. No.	Technology Imported	Year of Import
1	XRD System	2023-24
2	MS / UV Directed AutoPreparative HPLC System with MS	2023-24
3	HPLC with UV and PDA Detector	2023-24
4	Huber Unistat 815w - Water cooled with controller	2023-24
5	Tube & airless pump filling Machine	2023-24
6	Sachet Filling Line	2023-24
7	X-Ray System	2023-24
8	Sejong Make AWC based double rotary high throughput compression machine	2023-24
9	Vertical Diffusion Cell Test System	2022-23
10	Post Column Reaction Module	2022-23
11	Rapid Dryer	2022-23
12	Particle Track G600B with Z4 Work Station	2021-22
13	Lubricant Spraying System	2021-22
14	NMR Probe	2021-22
15	Dissolution Media Degasser	2021-22
16	Recirculating Cooler	2021-22

The above technologies have been fully absorbed.

4. **Expenditure on R&D:**

(₹ in crores)

Particulars	2023-24
Total R&D expenditure including Capital expenses	391.38
Total R&D expenditure as a percentage of turnover	4.68%

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	2023-24	2022-23
Foreign Exchange Earnings	2,323.91	2,099.42
Foreign Exchange Outgo	468.65	373.53

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
24th May, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

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 Limited and its wholly owned subsidiaries (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, wherever necessary, to make it comparable with the current year.

Global Economy:

Global growth is projected at 3.1% in 2024 and 3.2% in 2025, as per World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024 and 2025 is, however, below the historical average of 3.8%, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024 and to 4.4% in 2025.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and versus what is assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later. Stronger structural reform momentum could bolster productivity with positive cross-border spill overs. On the downside, new commodity price spikes from geopolitical shocks including continued attacks in the Red Sea and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers face the challenge of managing inflation, calibrating monetary policy, and adjusting to a less restrictive stance. Fiscal consolidation is needed to rebuild budget capacity, raise revenue, and curb public debt. Structural reforms should reinforce productivity growth and debt sustainability, while efficient multilateral coordination is needed for debt resolution and climate change mitigation.

Indian Economy:

Overall, the outlook for the Indian economy appears bright. RBI has forecasted India's real GDP to grow at 7 per cent in 2024-25, with risks evenly balanced.

Prospects of healthy Rabi harvesting, sustained manufacturing profitability and underlying service resilience are expected to support economic activity in 2024-25. The increased government spending on capex has not significantly increased total expenditure, but rather reprioritised capital outlay to revenue expenditure ratio. The government's inclusive approach to economic growth, including initiatives for the poor, women, youth, and farmers, has not compromised its commitment to fiscal consolidation, lowering its Fiscal Deficit estimate to 5.1% of Nominal GDP. The global slowdown, particularly in India's major trading partners, has reduced demand for its merchandise exports and lowered import value due to falling international commodity prices. This has narrowed India's merchandise trade deficit, improving its current account deficit.

On the demand side, household consumption is expected to improve, while prospects of fixed investment remain bright owing to an upturn in the private capex cycle, improved business sentiments, healthy balance sheets of banks and corporates, and the government's continued thrust on capital expenditure. Improvement in the outlook for global trade and rising integration in the global supply chain will support net external demand.

As far as inflation trend is concerned, it is expected that food inflation will moderate further in the upcoming months. RBI has revised the inflation projection for Q4 of 2023-24 downward to 5 per cent in the Monetary Policy Statement of February 2024, from 5.2 per cent in the previous MPC meeting. RBI has also kept the policy rate unchanged at 6.5 per cent to facilitate full monetary transmission. With the stable downward movement in core inflation and moderation in food prices, the outlook for a reasonably low headline inflation rate is good.

However, headwinds from geopolitical tensions including continued attacks in the Red Sea and supply disruptions, more persistent underlying inflation in the developed world, volatility in international financial markets, and geo-economic fragmentation need watching.

Global Pharma Market:

Global health systems have demonstrated remarkable resilience in the face of the pandemic, global inflation, and regional conflicts, and have moved forward to adopt novel therapies and increased usage overall. Overall, global use and spending on medicines is exceeding pre-pandemic growth rates and is expected to continue significantly above those trends through 2028.

The global medicine market using list price levels is expected to grow at 5–8% CAGR through 2028, reaching about $2.3Tn in total market size. Spending and volume growth following diverging trends by region with larger established markets growing more rapidly, driven by new and existing branded products, while Pharmerging markets will grow more slowly and be driven more by volume than the mix of more expensive therapies.

Global medicine spending growth is expected to accelerate over the next five years, driven mostly by increased growth contribution from existing branded products even as most growth segments are expected to increase compared to the last five years. New brands in the 10 leading developed markets are expected to contribute $193Bn in growth, up $40Bn over the past five years. The impact from brands losing exclusivity (LOE) is expected to more than double to $192Bn although a large part of that increase is from biologics facing biosimilar where the impacts have had more uncertainty. The largest driver of growth, which is also expected to double, is that from existing protected brands. The next five years of expiry events will provide critical revenue opportunities for generic and biosimilar makers to sustain their businesses, especially considering the more modest period of expiry events in the past five years, which were historically at low levels.

US: The U.S. market, on a net price basis, is forecasted to grow 2-5% CAGR over the next five years, down from 5.3% CAGR for the past five years, including projected effects of the Inflation Reduction Act.

Europe: Spending in Europe is expected to increase by $70Bn through 2028, driven by new brands and offset by generics and biosimilars.

Japan: Spending in Japan is projected at -2% to 1% through 2028 as robust brand growth is offset by a shift annual price cuts and ongoing shifts to generics.

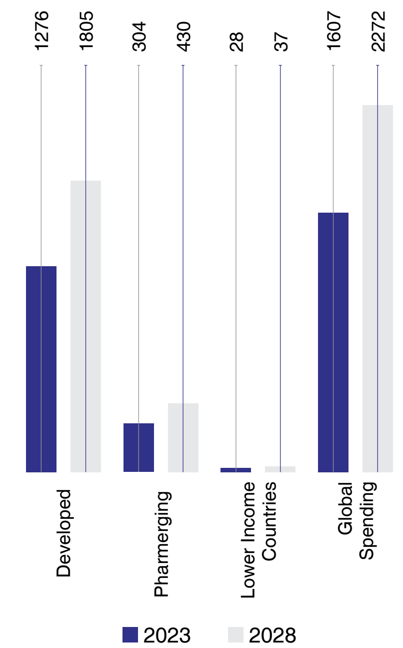
China: Spending growth in China is expected to slow, with positives driven by greater uptake and use of new original medicines and offset by pressures on off-patent and generic pricing.

Latin America: Spending growth has been especially high in the first two years of the pandemic, including patients' use of established and generic medicines as symptom management for COVID-19. After a slow 2024, growth will average 7–10% CAGR led by Brazil, Mexico, Argentina, and Colombia.

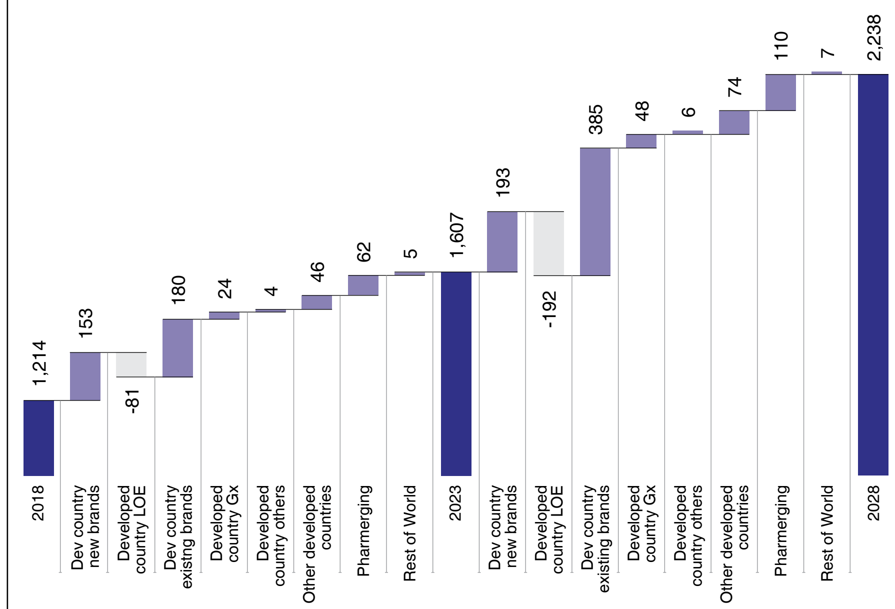
Key drivers of growth through the forecast period include the contribution of new products and the impact of patent expiries, including the growing impact of biosimilars.

Medicine spending and growth varies by region and product type with more than half of spending from brands in developed markets.

Global Medicine Spending ($bn)



Global spending and growth, US$Bn 2018-2028, excluding COVID-19 vaccines and therapeutics



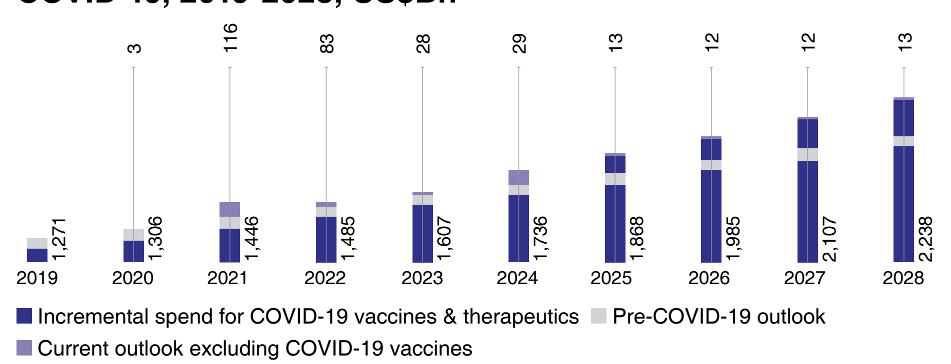
Source:IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Nov 2023.

Global growth will continue to mostly be driven by new and existing brands in leading developed countries

The outlook for global medicine spending has shifted considerably during the COVID-19 pandemic, and following the pandemic, the outlook for non-COVID-19 medicines has been revised substantially based on higher-than-expected spending in 2022 and 2023, robust pipeline of innovative therapies, and a widespread shift in the mix of spending to adopt more expensive novel therapies.

In total, the global outlook is expected to be $400Bn higher than the prior outlook despite the reduction in COVID-19 projections as a result of significantly higher growth outlook on a list/invoice price basis.

Changes in the historical and projected global medicine spending model due to COVID-19, 2019-2028, US$Bn



Spending outlook change due to COVID-19: $1,203Bn, 2020-2028

=

COVID-19 vaccine spending: $213Bn ($190-$230Bn)

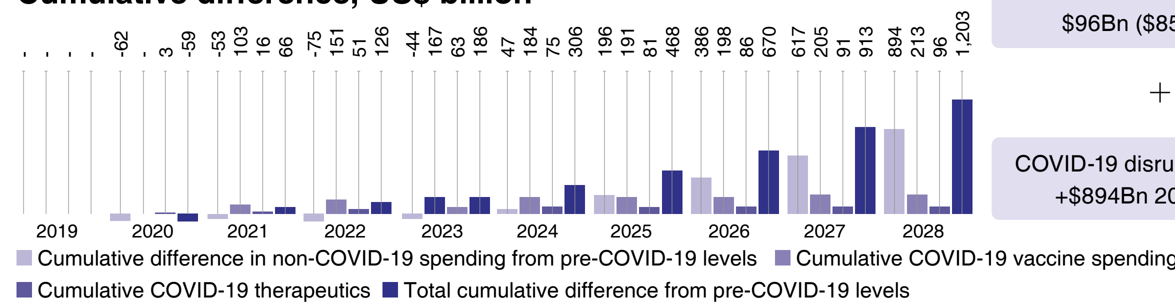
+

COVID-19 therapeutics: $96Bn ($85-115Bn)

+

COVID-19 disruption impact: +$894Bn 2020-2028

Cumulative difference, US$ billion

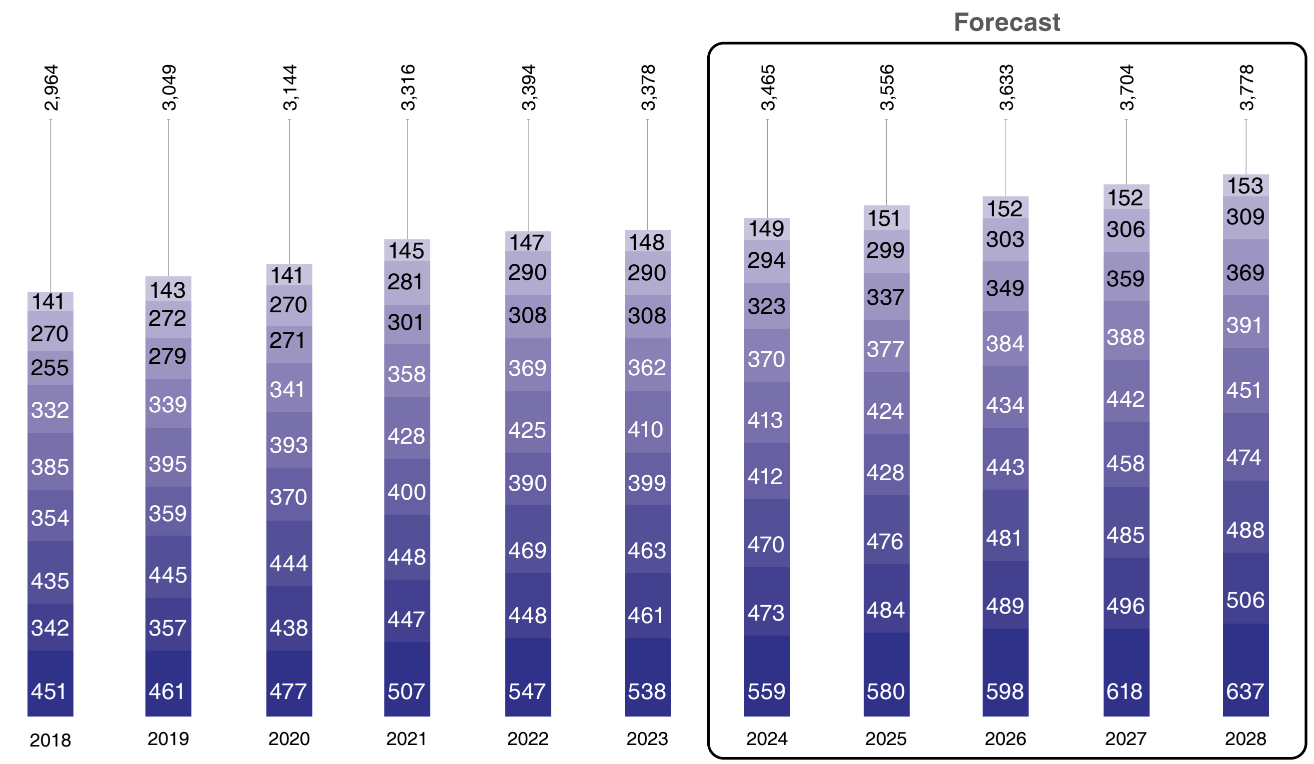


Global Pharmaceutical Industry Growth: 2018-2028 – Defined daily doses.

The global use of medicines based on modelling medicine volumes shipped according to defined daily dose assumptions — increased by 414 Bn defined daily doses over the past five years, and is expected to grow another 400 Bn by 2028.

- The highest volume growth over the next five years is expected in China, India and Asia-Pacific, all exceeding 3% compound annual growth
- Lower volume growth in higher income regions such as North America, Western Europe and Japan are linked to more established health systems and existing access to medicine
- Latin America volume growth has slowed considerably from a 6.1% five-year average through 2023 to a 1.9% average projected through 2028, largely through slower expected economic growth
- Eastern European growth is essentially unchanged, with the outlook for 1.6% CAGR down 0.1% from the past five years despite any regional or localised impacts of the Ukraine conflict

Historical and projected use of medicines by region, 2018-2028, Defined Daily Doses (DDD) in billions



	CAGR % 2024-2028		CAGR % 2024-2028
Global	2.3	Africa & Middle East	1.9
Japan	0.6	India	3.5
North America	1.3	Western Europe	1.1
China	3.7	Latin America	1.9
Eastern Europe	1.6	Asia-Pacfic	3.4

Source: IQVIA Institute, Dec 2023

Key Areas of Global Medicine Spending:

- Biotech will represent 39% of spending globally and will include both breakthrough cell and gene therapies as well as a maturing biosimilar segment. Major advances are expected to continue, especially in oncology, immunology, diabetes, and obesity. Notable small molecule innovations are also expected in these areas as well as neurology
- Specialty medicines will be 43% of global spending by 2028, with more than half of spending on these products in major developed markets
- The therapy areas with the highest forecast spending in 2028 are oncology, immunology, diabetes, cardiovascular, and neurology. Oncology is expected to grow 14–17% CAGR through to 2028 as novel treatments continue to be launched for the treatment of cancer. Immunology is expected to grow at 2-5% due to launch of biosimilars
- With nearly $184Bn by 2028, diabetes is expected to be the third largest therapy area globally, with growth estimated to be 3-6% over the next five years
- Global obesity spending reached nearly $24Bn in 2023, up from just $3.2Bn in 2020 and largely driven by the uptake of novel treatments. The newest obesity treatments are glucagon-like peptide 1 agonists or GLP-1 agonists, the mechanism initially developed in diabetes, which often generates weight loss for patients, and which has been developed by several companies as novel weight loss treatments with efficacy and safety rivalling traditional bariatric surgery
- In the last five years, a new wave of rare disease neurological treatments, including dozens with orphan designations, have been approved. Other diseases with larger populations such as migraine, depression and anxiety have also seen a range of new treatments approved and launched

Emerging trends: Following are some key emerging industry trends:

- **Brand loss of exclusivity:** The ongoing flow of innovation and the lagged savings as those medicines face competition and become cheaper has continued to reward innovators and challengers alike. The impact of exclusivity losses will reach $192Bn over the next 5 years. Of this $59Bn will be from Biosimilars. The next 5 years of expiry events will provide critical revenue opportunities for generic and biosimilar makers to sustain their business especially considering the more modest period of expiry events in the past five years, which were historically at low levels.
- **Pricing pressure:** With rising demand for healthcare and falling budgets, governments and payers are exerting pressure to drive down prices. Governments, insurers and patients are requiring greater transparency around drug pricing. In US, lower price erosion in the recent times has been mainly led by supply disruptions. However, the market structure on the supplier and buyer side has not changed which indicates that this situation could be temporary.
- **Specialty Pharma:** Specialty medicines have been increasing as a share of spending in higher income countries. Specialty medicines will represent 43% of the global spending in 2028. Pharmerging have lagged largely due to cost and will continue to represent 13% share of spending in 2028.
- **Oncology trends:** Oncology is the leading therapy area for innovation in terms of the level of clinical trial activity, number of companies investing in therapeutics, size of the pipeline of therapies in clinical development, novel active substances being launched, and the level of expenditure on these drugs. Global oncology is witnessing a remarkable surge in R&D and innovation, potentially leading to new therapies for unresolved cancers and including some of the most advanced breakthrough science in the life sciences. These therapies represent the largest area of collective research and the largest overall area by drug spending in the world.
- **Growing incidence of Chronic & Sub-chronic therapies:** With changing lifestyle, aging population and improved diagnosis, incidence of chronic diseases or life style therapies are significantly increasing. This includes therapies such as Cardio-vascular, Anti-diabetic and Central Nervous System. This trend is even more prevalent in emerging markets such as India and Brazil.
- **Pharma 4.0:** Pharma 4.0, originally Industry 4.0, applied to pharmaceutical manufacturing, which is the addition of cyber-physical systems to computerise manufacturing while focusing on the human element. Four pillars of Pharma 4.0 – Resources, Information Systems, Organisation & Processes, and Culture. One of the main facets of the Resources pillar is digital transformation which centers on real-time data and information to increase productivity, enable machine operators to do their jobs more efficiently, and further allow the use of predictive technologies, augmented reality (AR) and virtual reality (VR), Big Data, artificial intelligence (AI), and machine learning (ML). It allows for connectivity through integrated systems, equipment, people, and other software systems; real-time visibility into operations; transparency for quicker reaction time; and, at its highest levels, predictability and self-optimisation in that the system can predict the outcome of a batch or machine's performance and self-correct. In this kind of environment, apps, smart sensors, or the Industrial Internet of Things (IIoT) are used as a means of first capturing the data from the floor, which is then transferred to the cloud, available for use.

- **Digital healthcare:** Digital is the future in all sectors of the economy and society and healthcare is no exception. Digital delivery will become integral to healthcare provision, and something that people have embraced after being driven indoors by the pandemic. For India, this is a solution to the vexed problem of providing healthcare to a massive population confronted by inadequate hospital beds, doctor and nurse coverage ratios. Change is anyway on the horizon. Reorganisation of supply chains through digital adoption, innovation and value-based procurement, and promising applications of big data technologies are emerging. Ayushman Bharat Digital Mission (ABDM) aims to create a national digital health ecosystem that supports universal health coverage in an efficient, accessible, inclusive, affordable, timely, and safe manner.

Growth Drivers:

1 Affordability:

With increasing healthcare cost, there will be growing demand for quality generic medicines as it offers affordable option for patients and healthcare providers.

2 Loss of Exclusivity:

The impact from brands losing exclusivity (LOE) is expected to more than double to $192Bn. This provides opportunities for generic manufacturers to introduce bioequivalent cheaper alternatives.

3 Health Insurance & Infrastructure:

Penetration of health insurance (both public and private) is expected to surge with the government sponsored initiatives and programs, making healthcare more affordable and lead to market expansion more particularly in emerging markets.

4 Digital and Advanced Analytics:

Major technological shifts have encouraged a rapid increase in the use of Advanced Analytics (AA), driving growth and productivity across the pharma value chain.

5 Longer Life Expectancy:

With declining fertility and increased longevity, the relative size of older age groups is increasing.

6 Changing Lifestyle:

In today's world, sedentary lifestyle, changing dietary habits, hectic and stressful life, less sleep and certain environmental factors causes higher incidence of chronic diseases.

7 Improving Purchasing Power:

The middle-class population & per capital income continues to expand, driving demand for healthcare solutions, more particularly in emerging markets.

8 Regulatory Developments:

The Pharma industry operates in one of the world's most regulated environments to meet the public expectation of safe, effective, and high-quality medicines. Global harmonisation of regulatory standards will help in driving confidence and market expansion.

Indian Pharma:

The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume, eleventh in terms of medicine spending and fourteen its terms of value. Market size of India pharmaceuticals industry is expected to reach US$ 65 billion by 2024, and ~US$ 130 billion by 2030 owing to multiple growth drivers such as rising affordability, increasing access, low-cost production etc along with government initiatives. Medicine spending in India is projected to grow between 7-10% through 2028.

To promote the pharma industry, the Indian government unveiled a number of policy initiatives, including the promotion of research and innovation in pharma, an approach paper on National Pharma Policy with thrust on "one Health" during the G20 Summit, Scheme for development of pharma industry umbrella scheme. These initiatives are a continuation of the Production Linked Incentive (PLI) 1.0, bulk drug park, and PLI 2.0 schemes, and are targeted at self-sufficiency and the development of global champions from India. A further significant possibility stems from the changing global landscape, namely China plus one, approach that establishes India as a major participant in the Contract Development and Manufacturing Organisations. The industry is posed for increased integration of digital technologies in manufacturing and supply chain processes, aiming to boost efficiency and uphold product quality. With growing healthcare awareness and a rising disease burden, the pharma sector is positioned to address the escalating demand of high-quality products. Regulatory frameworks are likely to adapt to the evolving pharma landscape, emphasising patient safety and nurturing industry expansion.

Mergers & Acquisitions

Pharmaceuticals & life sciences and healthcare services M&A remained resilient in 2023, with innovative companies that can drive value attracting substantial investor interest. Dealmaking is expected to accelerate off this baseline in 2024, as has already been observed with a pickup in M&A activity toward the end of 2023. Although headwinds such as elevated interest rates and regulatory scrutiny remain, investors and lenders are becoming more comfortable navigating this environment. In the more attractive parts of health industries, dealmakers, while remaining selective, appear eager to pursue high-quality assets which may in turn unleash some pent-up M&A demand. M&A activities will be focused towards following areas:

1. Opportunities in growing GLP-1 drug market:

Companies across the value chain are expected to compete to position themselves in this fast-growing market, with a premium to be paid for innovation.

2. Biotech acquisitions to fend off patent cliffs:

Large-cap pharma companies will continue to face patent cliffs and gaps in their pipelines in the latter half of this decade and will look for M&A opportunities to achieve their growth plans.

3. CROs, CDMOs companies with strong cash flows:

Contract research organisations (CROs), contract development and manufacturing organisations (CDMOs) that can continue to demonstrate strong cash flows will be attractive sectors for investment in 2024.

4. Divesting non-core assets:

Motivation remains high among large pharmaceutical conglomerates to divest non-core assets and help generate cash to fund new investments which align more closely with their core competencies.

5. Artificial intelligence (AI):

While the technology and applications of AI are still nascent, the potential benefits of AI such as making drug discovery and development faster and cheaper or even identifying completely new drugs beyond the reach of traditional methods will likely result in pharma companies, biotechs, start-ups and others using M&A to gain access to the capabilities to make advances in this space.

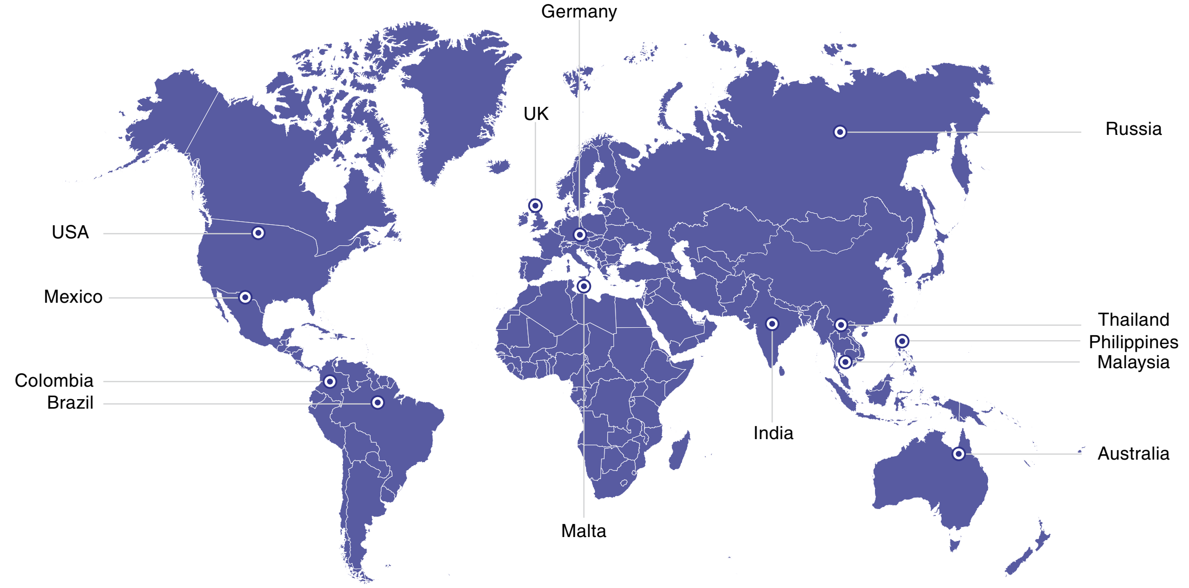
M&A trends in Indian Pharma:

There has been strong deal activity across multiple segments within the healthcare sector in India; a lot of activity has been in the pharma sector, across multiple sub-segments including domestic formulations, API/CDMO and nutraceutical ingredients. In the domestic formulations segment, there has been a healthy level of activity from strategics as well as financial sponsors. Pharma B2B has witnessed consistent M&A activity, especially in the Active Pharmaceutical Ingredient (API) segment. The industry continues to be fragmented, providing the opportunity for consolidation. Several larger domestic companies are looking to focus on core portfolios and sharpen capital/resource allocation decisions. This in turn has also resulted in companies divesting select non-core brands, a trend that is likely to continue.

Performance Snapshot:

As a frontrunner in the industry, the Company has established itself as one of the leading players in the Indian pharmaceutical industry with a formidable presence in India as well as international markets. With a legacy of strong foundation, the Company remains posed for continued growth and success in the evolving landscape of global business. Internationally, the Company's presence extends across diverse geographies through its subsidiaries, encompassing a broad spectrum of growth markets. Additionally, it maintains a global footprint in many other countries through other business models. The multifaceted approach ensures a robust and expansive reach, allowing the Company to effectively cater to the needs of the diverse markets and capitalise on the emerging opportunities worldwide.

Subsidiaries of the Company



During the year 2023-24, the Company reported revenues of ₹ 10,728 crores, growth of 12% compared with ₹ 9,620 crores in the previous financial year.

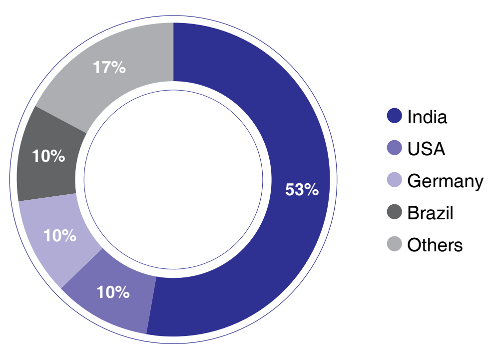
The breakup of revenues under key territories is as under:

Revenue (in crores)	2023-24		2022-23		Growth
	Amount	Share	Amount	Share	%
India	5,666	53%	4,984	52%	14%
USA	1,078	10%	1,162	12%	-7%
Germany	1,074	10%	928	10%	16%
Brazil	1,126	10%	935	10%	20%
Other countries	1,155	11%	1,060	11%	9%
Others	630	6%	551	5%	14%
Total	**10,728**	**100%**	**9,620**	**100%**	**12%**

Core competencies:

India, Brazil, Germany, US, are the top four markets for the Company. The Company's strategic priorities in India and Brazil and other branded markets continue to focus on strengthening specialties, field force productivity and brand building. These markets remain a key priority for the Company and offer higher visibility and sustainability to the business. The Branded business constitutes around 72% of the overall Company revenues.

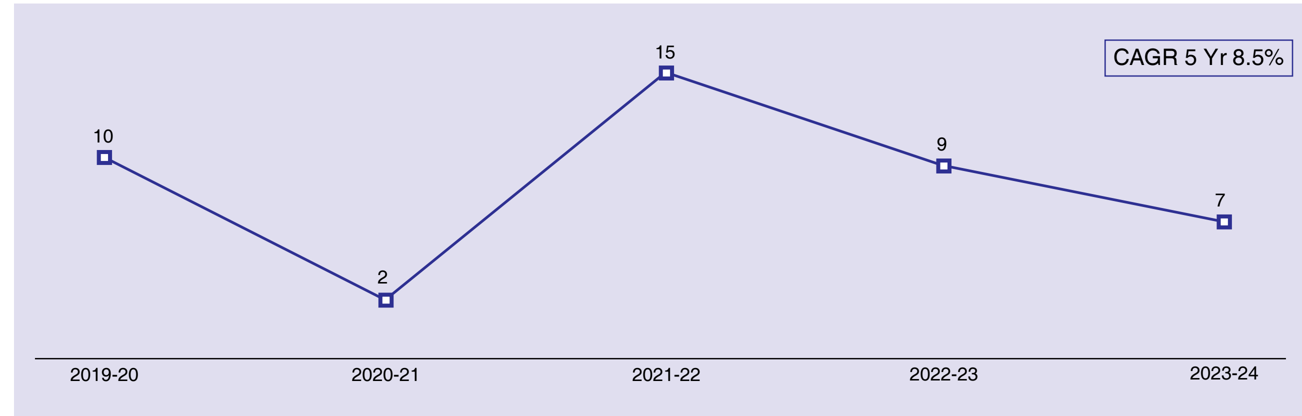
In the US and Germany, the Company continues to focus on its new product pipeline by developing diversified and complex products.



India:

The Indian pharmaceutical market (IPM) which is valued over $24 billion, grew at 7%. The market is expected to grow high single digit over the near term contributed by factors such as increasing healthcare expenses, rising chronic diseases, expanding health insurance coverage, rising income levels and awareness, government initiatives to enhance healthcare infrastructure and expand access to essential medicines. Initiatives such as the Jan Aushadhi Scheme which aims to provide affordable generic medicines to masses, have played a crucial role in improving access to healthcare in rural and underserved areas. Stable pricing environment, patent expires in the recent past supporting new launch momentum have made up for the tepid base volume growth.

IPM growth trend (in value):

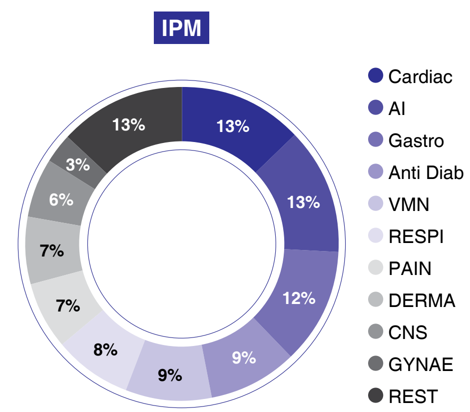


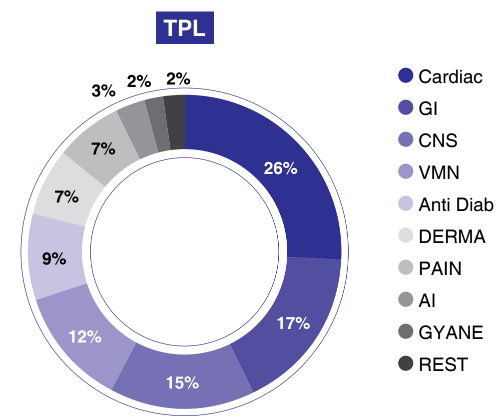
For the year ended 31st March 2024, India continues to be the largest business unit contributing 53% to the overall revenues.

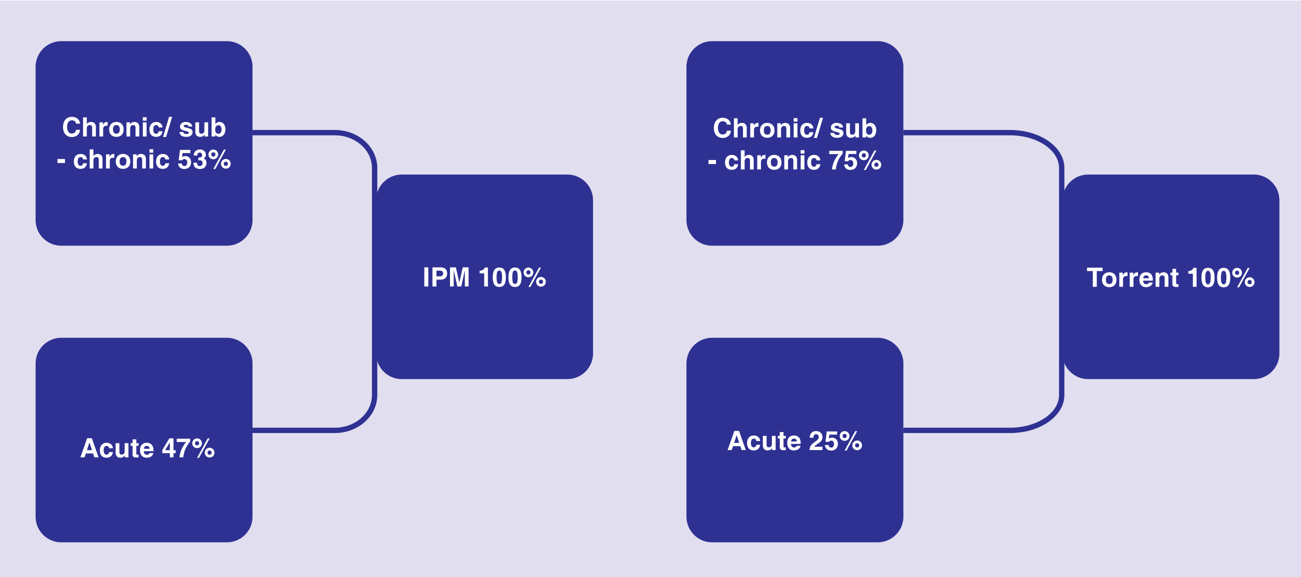
The Company is ranked 5th in the IPM (PY 6th) and continues to grow faster than the market (IPM 7% vs Torrent 11%). The Company stands 04th position in the combined chronic / sub chronic therapy areas. 21 Brands feature amongst Top 500 brands of the IPM. 16 brands (MBs) have revenues of more than 100 crores.

5th largest Company in IPM	**4th** ranked in combined chronic / sub chronic segment	**6th** ranked by prescription at specialists
21 brands amongst Top 500 brands in IPM	**16 brands (MBs)** above ₹ 100 crores	Ranked amongst **Top 5** across Cardiac, VMN, CNS & GI therapy areas

In IPM, Cardiac is the major contributor followed by Anti-Infective, Gastro-intestinal, Anti-diabetic and Vitamin Mineral Nutrients (VMN) segment. The Company has strong presence in Cardiac, Gastro Intestinal, CNS, Vitamin Minerals Nutrients, Anti diabetic & Dermatology and these therapies contribute ~86% to sales.







The Company continues to focus on chronic & sub chronic therapies as its main area of focus and anticipates to continue gaining market share in key sub-therapies. The Company has maintained rank in major therapy areas like cardiac, CNS, VNM and GI, with two rank improvement in Anti-Diabetic therapy and one rank improvement in each Gynae, Urology, indicating that the company is strengthening its position in the high growth therapy areas:

Ranking	Cardiac	CNS	VMN	GI	Pain	Anti diab*	Dermatology
	2	3	4	4	7	7	7

*without Insulin

The acquired business of Curatio Health Care (I) Private Limited (Curatio) in October 2022, has been fully integrated. Curatio has a strong portfolio of over 52 brands with leading brands such as Tedibar, Atogla, Spoo, B4 Nappi, & Acnemoist which are ranked amongst top five brands in their covered market. Post integration of the portfolio, focus has been on expanding coverage among the key prescriber segments (paediatricians and dermatologist) and on cost synergy execution.

The company signed licensing and supply agreement with Zydus Lifesciences Ltd to co-market Saroglitazar for the treatment of Non-Alcoholic Steato Hepatitis (NASH) and Non-Alcoholic Fatty Liver Disease (NAFLD) in India. It is the only approved drug for NASH and NAFLD in the country. Torrent markets the drug under the brand name VORXAR®.

The company had forayed into the consumer health segment last year with Shelcal-500 (a calcium supplement) and has expanded presence this year with addition of 3 more brands viz. Ahaglow (face wash gel), Unienzyme (digestive enzymes tablet) and Tedibar (baby bathing bar). Strong growth was seen in the flagship brand Shelcal-500 supported by National Media Campaign initiated this year. Consumer engagement campaigns were also launched for other brands in the portfolio viz. Unienzyme, Ahaglow and Tedibar. Overall, the consumer health segment progressed well aided by new channel activations, increase in distribution into newer towns and scale up of the ecommerce business.

New introductions in key therapies have been a focus area for the Company to drive higher than market growth.

The Company has strategically diversified and strengthened its presence in some of the key therapies linked to patent expiries like Sitagliptin and its Fixed Dose Combinations (FDC), Linagliptin and its FDC in the anti-diabetic segment, Ferric Carboxy Maltose in gynecology therapy and Lasmitidan in the CNS segment. The company has entered high potential market of Sodium Alginate, Imeglimin, Brivaracetam SR and Digestive Enzyme market to cater to unmet therapy needs and launched several brand extensions which will continue to remain in focus in future.

In the coming year, the Company will continue to focus on new launches driven by patent expiries and brand extensions which will help to address the unmet need of the patient and complete its therapy basket.

The new introductions of the company have been backed by expansion of the field force (FF) across key therapeutic areas of the company. This expansion will ensure that the company remains competitive in all focus markets without diluting focus on the existing portfolio. Expansion of field force has been done across key therapeutic areas in Cardiology, Diabetology & Multi specialty TAs. The current MR strength is around 5700.

Stable market, high chronic led growth, launch of differentiating portfolio clubbed with FF expansion will help to gain market share and further gain leadership position within the industry.

Brazil:

Brazil continues to be the largest pharmaceutical market in Latin America representing almost half of the LATAM market in units and value (USD). It is currently the 8th largest in the world. The Brazilian pharma market is estimated to be around BRL 231 Bn (US$ 36 Bn) by 2027 through a CAGR growth of 8-11%.

Brazil's economic scenario followed the trend in 2023 with a GDP growth of 3% (same level of 2022). Given the economic situation, the interest rate in 2023 (average) was 13.25% which is expected to be at 9.0% in 2024 & Projected GDP growth is likely to be 1.8%. Tax and administrative reforms are also part of the new government's agenda and are likely to be voted with transition rules to accommodate States and Municipalities existing tax benefits. Tax reform likely to be done in two phases: Federal Taxes and State Taxes.

Brazilian Pharmaceutical Market has been resilient, registering a growth of 10% (MAT Mar 2024) excluding Patented and OTC products. Additionally, the government plans to reinforce the health sector by restoring funds. This however, does not limit the opportunity for the pharmaceutical companies to gain from direct sales to consumers. On the regulatory front, the Brazilian government had changed the patent regulation to allow early entry of generic players thereby increasing access of innovator molecules at lower cost to patients in addition to alignments of regulatory processes in line with international agencies.

During the fiscal year 2023-24, Brazilian operations registered a total revenue of BRL 665 Mn or ~₹ 1126 crores, registering INR Growth of 20% (Growth in BRL 12%). The company is now ranked 22nd in the total Brazil pharma market while being ranked 19th in the overall branded and generic market where it operates. The Company intend to gain market share through specialty focus, enhancing existing field force productivity & reach and new product launches. The company has also launched additional sales force team for CNS to support growth of mature brands and new launches. The company is also preparing for entry into newer therapeutic segments in near term.

Among the Indian companies, in terms of value, the Company ranks No. 1 (IQVIA dataset). Currently, it has commercialised 23 branded generics and 20 generic products. In its branded generic portfolio, the Company has 17 filings awaiting approval and further 16 new filing planned in the next 12 months. In addition, the Company has been building its portfolio in the generic segment with parallel filings and launches of its branded generic products.

Germany:

Top major European countries Germany, France, Italy, Spain and UK medicine spending is expected to increase by US$ 70Bn over the next 5 years from US$ 226 Bn in 2023 to US$ 296 Bn in 2028. CAGR from 2023 to 2028 is expected to be 4% to 7%.

Germany where the Company has significant presence is valued over $60 Bn and is expected to grow at a CAGR of 4% to 7% through 2028. The German healthcare market is highly regulated, and the legislative pressure on pharmaceutical businesses to lower their sales prices of drugs for end-consumers is not overly high. Generics, including biosimilars, are expected to add $15 Bn in growth over the next five years, about the same as in the past five years despite a larger impact of losses of exclusivity as volume gains will be offset by price deflation.

The Company has direct presence in Germany and UK.

Revenues from Germany operations during 2023-24 were ₹ 1074 Cr (Euro 120 Mn) registering growth of 16% in INR terms (Euro Growth 8%). Consistent tender win performance and new product launches are expected to support the growth momentum.

Among the generic players, the Company holds 5th position and is ranked No. 1 among Indian players in the German market.

USA:

USA continues to remain the largest pharmaceutical markets globally. The USA market, on net price basis, is forecasted to grow at 2% to 5% CAGR over the next 5 years, down from 5.3% CAGR for the past 5 years, including projected effects of the Inflation Reduction Act. The impact of exclusivity losses will increase to US $ 146 Bn over 5 years including significant biosimilars. The surge in generic drug approvals is supported by the FDA's Drug Competition Action Plan. In fact, generic drugs accounted for a substantial around 91% of prescriptions in the US, signalling their pivotal role in mitigating the impact of soaring brand drug prices. This focus on affordability and accessibility has contributed significantly to the flourishing generic drugs market. In 2023, 956 ANDA were approved, 101 Pre-ANDA meeting requests about product development and/or pre-submission issues addressed.

The pricing pressure seems to have eased in the recent past on the base business for most of the Companies mainly triggered by strong supply shortages faced by the market.

The Company is ranked No.11 amongst the US generic Indian companies. Sales from the US business were ₹ 1078 crores (US$ 128 Mn) during the financial year 2023-24 as compared to US$ 138 Mn in the previous year, registering degrowth of 7%. The degrowth is mainly on account of lack of new products approval due to pending USFDA inspection of the Company USFDA approved facilities.

During the year, the Company successfully cleared FDA inspection for Dahej and Bileswarpura manufacturing facilities and started receiving ANDA approvals manufactured from these manufacturing facilities. We expect new launches to start flowing from April 2024.

The Company has filed 2 ANDA during 2023-24. The Company has 103 ANDA approvals (including 4 tentative approvals) and its pipeline consists of 34 pending approvals and 28 products under development to be filed over the next 3 years.

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. During the year, the Company received USFDA Establishment Inspection Report (EIR) for its Dahej and Oral oncology facility, both located in the state of Gujarat. With approval of these facilities, the Company has started receiving new product approvals for USA. USFDA approved manufacturing facility at Pithampur (Madhya Pradesh) received approval for launching dermatology range of products in Brazil market.

Research and Development

To provide new impetus to the Company's interest in specialty complex generics, one oncology product will be filed in US as well as in EU. Further the pipeline includes complex generics, injectable as well as 505 (b) 2 products with the rationale of targeting unmet medical needs. One CGT status product was launched during the year with 180 days exclusivity in the US market.

The in-house state of the art Bio-Evaluation Centre supports product development by means of conducting bioequivalence studies. It has been certified and audited by various regulatory agencies and as a part of that recently ANVISA (Brazil) recertified our facility till May 2025.

NDDS has emerged from application of new technology platforms to design products with an aim to reposition existing drugs with a different dosage form, different strength, and alternate route of administration addressing unmet need(s). The aim is to improve their performance with respect to efficacy, safety and patient compliance through enhanced bio-availability, targeted drug delivery, reducing the dose & frequency, quicker onset and longer duration of action. The Company has NDDS products in its pipeline.

The R&D expenses for the year amounted to ₹ 527 crores representing around 5% of the Company revenues.

Threats, Risks and Concerns

Strategic risk

The Company is exposed to strategic risk primarily related to development and launch of new products, capital investments on new projects and inorganic growth opportunities.

The pharmaceutical product development lifecycle integrally carries high risk in terms of uncertainty in clinical outcomes, technical challenges related to development of complex products and significant amount of expenditure involved. Timely launch of the product is of utmost important to recover the expenses already incurred during research and development phase. Launch could be delayed or abandoned on account of delay in securing regulatory approvals or high probability of patent litigation. Moreover, simultaneous entry of competitors at the time of launch of product creates pricing pressure adversely impacting margins of the Company. The Company manages such risks through careful market research for selection of new products, detailed project planning and continuous monitoring. Its R&D activities are complemented with insurance programs suited to nature and propensity of risk.

The Company may launch generic product based on legal and commercial factors, even though patent litigation is pending. The outcome of such patent litigation could affect the Company's business adversely in case it is established by the court of law that there has been a patent infringement. In addition to the substantial liabilities for patent infringement, the Company may also incur high costs of litigation for defending against the infringement. 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.

The Company deploys capital to add manufacturing capacity to meet increasing demand of pharmaceutical products from various markets. The Company faces risks arising out of delay in implementation of project and results in cost overrun. There is also a possibility of slump in demand by the time the project is completed and carries risk of under-utilisation of capacities resulting in high manufacturing cost. The risks are sought to be mitigated by forming appropriate project management team and corporate management oversight.

The Company has history of successful acquisitions and its integration with existing business operations. It continuously looks for new in-organic growth opportunities. Any such acquisitions involve significant challenges in terms of integration of people, system and processes with existing operations, which requires considerable amount of time, resources and effort. This may lead to temporary disruption of ongoing business, affect relations with the employees and customers with whom the Company has been dealing.

Competition Risk and Pricing Pressure

The Company markets pharmaceutical products across different countries and has global operations. Generally, pricing of the pharmaceutical products is eroded over a period either due to intensified competition in the market or on account of pricing controls notified by the local governments. Intensification of competition and threats of new entrants in existing key markets and therapies impede Company's ability to drive improvements in market share.

In Generics market, the Company is mainly exposed to pricing pressure in US and Germany. In US, consolidation of certain customer groups, emergence of large buying groups representing independent retail pharmacies, prevalence and influence of managed care organisations and similar institutions enable such groups to attempt to extract price discounts on the Company's products and could adversely affect price realisations of the Company on an overall basis. In Germany, insurance companies have been empowered to enter into rebate contracts and float tenders. Aggressive bidding by competitors in such tenders leads to continuous price erosion in the market.

In Branded Generics market, the Company is mainly exposed to pricing pressure in India and Brazil. In India, the Company is exposed to pricing pressure due to drug price control through National List of Essential Medicines (NLEM) as well as use of generic medicines promoted by Government of India through various initiatives. In Brazil, the Company sells branded generics, the pure generic competition could adversely affect development of branded business.

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.

The risks are sought to be mitigated through careful market analysis, upgrading skills, marketing alliances and management oversight. For Branded Generic Markets, mitigation strategies include Specialty-driven approach and building brands, resulting in high prescription stickiness. Evolving patients' need are met through delivering innovative products in diverse dosage forms and fixed dosage combinations. Scientific detailing, delivery of quality products, competitive pricing, therapy focused sales structure together with low attrition etc will help in withering out competition risks. For Generic Generics markets, mitigation strategies include ensuring continuous supply through a robust and agile supply chain and compliance at our manufacturing facilities, portfolio optimisation by incremental investment in R&D on complex drugs, diversified dosage forms and value-added generics, continually optimising cost structures and manufacturing productivity to remain competitive and sustain margins.

Product Quality and Regulatory Risk

The Company is operating in the highly regulated pharmaceutical sector to assure that product complies with highest quality standard. Pharmaceutical products manufactured and marketed by the Company are consumed by humans and carries potential risks of product efficacy, adverse drug reactions, unexpected side effects, drug interactions, medication errors etc. which ultimately pose risk to safety of patient.

Additionally, failure to comply with the regulatory and cGMP requirements results in regulatory warnings, withdrawal of certification of manufacturing facility, delay in new product approvals, product recalls and product liability claims. Compliance of quality requirement throughout supply chain also carries risk of batch rejection or deviation on account of complexity in manufacturing processes. Overall, non-compliance to such requirements adversely impacts brand and reputation of the Company.

The Company assures product quality and regulatory compliance through pharmacovigilance function and stringent quality management processes. The Company has established a global pharmacovigilance group comprising a team of experienced doctors and pharmacists in the field of pharmacovigilance. The global pharmacovigilance system supervises and integrates all affiliates' pharmacovigilance system. This ensures that any safety information or adverse events from any country are captured, evaluated and reported duly as per regional and global pharmacovigilance regulations. 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 adequate insurance cover for product liability. The Company is facing litigation on two of its products viz. Losartan and Valsartan in the US.

Supply Chain Risk

Although a major portion of the Company's finished formulations are being manufactured at in-house facilities, the Company also depend on third party suppliers for sourcing for some of the markets. Any significant disruption at in-house facilities or any third-party manufacturing locations due to economic, regulatory political & social factors or any other event may impair the Company's ability to produce, procure and/or ship products to the markets on a timely basis and could expose the Company to penalties and claims from customers.

The Company purchases Active Pharmaceutical Ingredient (API) and other materials that it uses in its manufacturing operations from 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 the Company has listed only one supplier in its application with regulatory agencies. An interruption in the supply from single sourced material can impact the financial performance of the Company. In addition, the Company's manufacturing capabilities could be impacted by quality deficiencies in the products, which its suppliers provide, leading to impact on its financial performance.

Financial Risks

The Company operates across the globe and it poses primary risk associated with fluctuations in the foreign currencies, interest rates and tax landscape of the respective foreign countries.

Foreign currency risks mainly arise out of Company's overseas operations and borrowings. The Company has revenue from exports and imports of raw materials, plant and machinery as well as availing services from across different countries. All such transactions are in currency other than Indian Rupees and exposed to foreign currency risk. With respect to the borrowings, the Company carries currency risk to the extent of foreign currency borrowings and exposed to interest rate risk on borrowings linked to variable rate of interest.

The Company has potential tax exposure resulting from application of varying laws and interpretations in relation to various business transactions. Although the Company believes its 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.

The Company has a defined risk management framework to manage currency and interest rate risks. The Company has also taken adequate measures to ensure compliances of laws of respective countries.

Cyber Security and Data Privacy Risk

Company's networks and information technology infrastructure carries high risk of cyber-attacks that results in loss of critical assets and sensitive information or reputational harm. Moreover, failure to protect personal data and comply with data privacy regulations of each country in which Company operates may attract financial penalties, intervention by regulators and reputational loss. The company has Information security policy, secured IT system, robust access control and restricted administrator privilege to restrict unauthorised access. Adequate e-mails protection and laptop encryptions are also implemented. Vulnerability assessment and penetration testing (VAPT) is performed yearly to identify improvement areas. The Company continuously invests on the information technology to reduce the risks in addition to have taken insurance cover.

Business Continuity Risks

Potential disruption or failure of a company's operations due to unexpected events arise from various sources including natural disasters, supply chain disruptions, security breaches or cyberattacks, financial crisis, regulatory changes or pandemics among others. Business continuity risks can have significant impacts on a company's financial performance, reputation and ability to continue operations. The Company has instituted various 'business continuity' measures including alternate sourcing strategies, carrying adequate inventories, vertical manufacturing integration, digital interventions, periodic review BCP and DRP plans, training on Emergency Response Plan etc.

Compliance Risks

As the company operates in multiple geographies globally, each having dynamic and complex regulatory landscape that continuously evolves, changes and undergoes increased scrutiny from the regulators. Failure to identify and/or comply with applicable statues and regulations globally may possess a threat to our business operations thereby affecting our financial and/or reputational standing. Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to non-compliance'. This is implemented through regular assessment of regulatory and compliance requirements, robust internal controls, continuous monitoring through compliance management systems and periodic reporting to senior management and the Board. Further, independent assessments and audit mechanisms are put in place.

ESG Risks

Organisation must sustain growth in a continuously evolving global eco-system with unpredicted externalities. Sustainable value creation can no longer be agnostic of ESG risks, which has now evolved as new yardstick in addition to profitability and capital efficiency returns. The Company has developed ESG roadmap for 2022-25. This includes adopting a structured ESG framework and strategy, based on international standards and structures such as GRI, SASB, and many others. The Company has designed a multi-fold strategy, with four core ESG pillars, i.e., Responsible Consumption, Responsible Practices, Responsible Communication and Responsible Supply Chain, that will enable it to navigate its growth in a manner that maximises stakeholders' value, consistently and sustainably.

Counterfeit Drugs Risks

Counterfeit medicines are fake or falsified medicines that are passed off as authentic, which may contain the wrong ingredients, contain too much, too little or no active ingredient at all or contain other harmful ingredients. The Company tries to prevent by taking steps such as packaging controls via hologram, barcode, along with strong distribution system etc.

Geopolitical Risks

Since the Company operates across the globe, changes in geopolitical situations of countries may adversely impact operations of the Company. There could be possibilities of war, terror attacks, political unrest and government default in some of the geographies in which the Company has operations. Recently, the Company witnessed situations like Russia-Ukraine war, political uncertainty in Sri Lanka and red sea issue having adverse impact on the operations of the Company. The company manages risk through monitoring of risk developments in such geographies, securing receivables through LCs / Bank Guarantee and hedging foreign currencies. On overall basis, the Company keeps the exposure to such geographies to minimal level.

Human Capital Risk

Pharmaceutical industry is knowledge driven and requires highly skilled human resources in major operations of the Company. The Company is exposed to the risk related to its inability to attract and retain such skilled employees which can adversely affect the complex operations of the company. The Company manages to attract and retain talented employees by providing internal transfer opportunities, performing engagement and team building initiatives.

Human Resources

The total employee strength of the Company at the end of financial year 2023-24 was 16,056 against 15,407 at the end of financial year 2022-23, an increase of 649 employees.

Internal Control System

The Company has a robust system of internal controls 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 taking 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 the 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 FY 24 compared with FY 23

Summary Financial Information:

Particulars	2023-24		2022-23	
	₹ Crores	% to Revenues	₹ Crores	% to Revenues
Sales and Operating Income (Revenues)	10,728	100%	9,620	100%
Gross Profit	8,041	75%	6,885	72%
Selling, General and admin expenses (SG&A)	4,146	39%	3,527	37%
Research and Development Spend	527	5%	516	5%
Forex (Gain) /Loss	4	0%	18	0%
Other (Income)	(50)	(0%)	(48)	(0%)
EBIDTA	**3,414**	**32%**	**2,872**	**30%**
Depreciation / amortisation	808	8%	706	7%
Net Interest expense / (Income)	342	3%	319	4%
Profit before tax and exceptional items	**2,264**	**21%**	**1,847**	**19%**
Exceptional Items	(88)	(1%)	-	-
Profit before tax and after exceptional items	**2,352**	**22%**	**1,847**	**19%**
Income Tax	696	6%	602	6%
Profit after Tax	**1,656**	**16%**	**1,245**	**13%**

Financial Performance

- Revenues grew by 12% to ₹10,728 crores from ₹ 9,620 crores in the previous year
- EBDITA grew by 19% to ₹3,414 crores from ₹ 2,872 crores in the previous year
- Borrowings reduced by ₹ 1360 crores. Net Leverage stands at 0.87x
- Exceptional gain of ₹ 88 crores pertains to gain on sale of manufacturing facility at US which was previously impaired.

Working Capital and Liquidity

The trade working capital i.e., net working capital investment excluding current investments, cash and cash equivalents, bank balances other than cash and cash equivalents, short term borrowings, current maturity of long-term debt and accruals on tender contracts (Germany) reduced by ₹ 160 crores at the end of financial year 2023-24. The number of days of net trade working capital decreased to 90 days in 2023-24 compared to 110 days in 2022-23.

Cash and cash equivalents including current investments and bank balances including fixed deposits was at ₹1,005 crores during the financial year 2023-24 compared to ₹ 751 crores at the end of financial year 2022-23.

Key Financial Ratios for FY 24 compared with FY 23

Particulars	2023-24	2022-23
Profitability ratios		
(a) Operating profit margin	32%	30%
(b) Net profit margin (Refer Note 1)	15%	13%
(c) Return on net worth	24%	20%
Working capital ratios		
(d) Debtors turnover (days)	64	75
(e) Inventory turnover (days)	79	86
Gearing ratios		
(f) Interest coverage	8.40	7.56
(g) Debt / equity	0.34	0.57
Liquidity ratios		
(h) Current ratio	1.20	1.20

Note:

1. Net profit margin is adjusted for exceptions items.

The ratios have been computed as follows:

- Operating profit margin : Revenues – (Cost of goods sold + employee benefits + other expenses)+ (Other income-Interest income) / Revenues
- Net profit margin : Profit after taxes / Revenues
- Return on net worth : Profit after taxes / Net worth (Net worth = Share capital + Reserves and Surplus)
- Debtors days : (Trade receivables / Net Sales) * 365
- Inventory Days : (Inventory / Net Sales) * 365
- Interest coverage : (Profit after tax + Deferred tax + Depreciation and amortisation + Interest expense) / Interest expense
- Debt to equity : Debt / Net worth
- Debt : Long term borrowings (current and non-current portion)
- Net worth : Share capital + Reserves and surplus
- Current ratio: Current assets / [Current liabilities less Current Maturities of Long-term debt]

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Mumbai
24th May 2024

References

1. World Economic Outlook, International Monetary Fund, Jan 2024
2. Economic Review – Department of Economic Affairs 2023-24
3. The Global Use of Medicines 2024.
4. AIOCD MAT March 2024 data set.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

FOREWORD

At Torrent Pharma, sustainability is of paramount importance and has been imbedded into all its decision-making process. The Company recognises that fostering sustainable value necessitates unwavering commitment to sustainability and robust governance framework, founded on principles of Transparency, Integrity and Accountability.

To attain sustainable business growth, the Company has crafted an integrated strategic framework that not only supports the business objectives but also fulfil its responsibility towards environment and society.

The Company acknowledges that embracing sustainability is vital for addressing global challenges posed by climate change, resource depletion, social inequality and bio-diversity loss while providing opportunities for innovation, resilience and long term prosperity ultimately leading to establishing a profitable, long term businesses.

At Torrent Pharma, we firmly believe that attaining long-term business success is intrinsically tied to the pursuit of Environmental, Social and Governance (ESG) goals. As a responsible Corporate Citizen, we are dedicated to creating a robust business that operates responsibly, aligning with national priorities such as zero-carbon objectives and adhering to recognised global frameworks like GRI, SASB and UN SDGs. In our ongoing sustainability journey and commitment to the National Voluntary Guidelines, we are delighted to present our Business Responsibility and Sustainability Report (BRSR) which demonstrates our efforts to provide an accurate and detailed account of our corporate responsibility initiatives, sustainability measures and overall performance to stakeholders.

The BRSR framework is based on the National Guidelines for Responsible Business Conduct (NGRBC) comprising of three sections:

Section A provides broad overview of the business, including market served, business and operations footprint, employees, related parties, CSR and transparency.

Section B covers management and process disclosures related to the businesses aimed at demonstrating the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Section C encompasses a comprehensive set of measurable Key Performance Indicators (KPIs) for each of the nine principles which include ethical business practices, product stewardship, employee wellbeing, safety & development, stakeholder engagement, human rights, environmental stewardship, public policy advocacy, inclusive growth and responsible customer relationship.

SECTION A: GENERAL DISCLOSURE

I. Details of the Company

1	Corporate Identity Number (CIN) of the Company	L24230GJ1972PLC002126
2	Name of the Company	Torrent Pharmaceuticals Limited
3	Year of incorporation	1972
4	Registered office address	Torrent House, Off Ashram Road, Ahmedabad – 380 009
5	Corporate address	Torrent House, Off Ashram Road, Ahmedabad – 380 009
6	E-mail	investorservices@torrentpharma.com
7	Telephone	+91 79 26599000
8	Website	www.torrentpharma.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, Mumbai (BSE); and National Stock Exchange of India Limited, Mumbai (NSE)
11	Paid-up Capital	₹ 169.23 crores as on 31st March, 2024
12	Contact Person	
	Name of the Person	Chintan Trivedi, Company Secretary
	Telephone	+91 79 26599000
	Email address	investorservices@torrentpharma.com
13	Reporting Boundary	
	Type of Reporting	Disclosures under this report are made on standalone basis for Torrent Pharmaceuticals Limited
14	Assurance	
	Name of Assurance Provider	Grant Thornton Bharat LLP
15	Type of Assurance obtained	Reasonable Assurance on BRSR Core attributes and limited assurance on nine principles of the BRSR framework

II. Products / Services

16	Details of business activities	S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1	Research & Development, Manufacturing, Marketing and Distribution of Pharmaceutical Products	We are one of the leading pharmaceutical companies in India and are engaged in research, development, manufacturing, marketing and distribution of branded and generic pharmaceutical formulations in India and Internationally.	100%

17	Products / Services sold by the entity	S. No.	Product / Service	NIC Code	% of Total Turnover contributed
		1	Pharmaceutical products	Division 21 Group 210 Class 2100	100%

III. Operations

18	Number of locations where plants and / or operations / offices of the entity are situated:	Location	Number of Plants	No. of Offices	Total
		National	9*	31	40
		International^	--	15	15

19	Market served by the entity	Locations	Numbers
	a. No. of Locations	National (No. of States)	PAN India
		International (No. of Countries)	More than 40 markets served across Asia, North America, Brazil, European Union & Rest of World
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	Standalone – 28% Consolidated – 43%	
	c. A brief on types of customers	Torrent Pharma serves across all segments of customers. At the core, the final customers are the patients / consumers who buy the products of the Company based on their need / prescriptions from the Doctors. The primary channel of distribution is through the wholesale drug distributors, stockiest, retail and e-commerce channel partners. We also sell to the institutional segment which majorly includes government, semi-government institutions, hospitals, nursing homes, clinics, dispensing doctors etc.	

* includes R&D unit

^ includes offices of its Subsidiaries / Representative offices.

IV. Employees

20. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
a.	**Employees and workers (including differently-abled)**					
Employees						
1	Permanent (D)	14,066	12,902	92%	1,164	8%
2	Other than Permanent (E)	285	266	93%	19	7%
3	**Total Employees (D+E)**	**14,351**	**13,168**	**92%**	**1,183**	**8%**
Workers						
4	Permanent (F)	565	535	95%	30	5%
5	Other than Permanent (G)	2,355	1,928	82%	427	18%
6	**Total Workers (F+G)**	**2,920**	**2,463**	**84%**	**457**	**16%**
b.	**Differently abled employees and workers**					
Differently Abled Employees						
7	Permanent (D)	27	22	81%	5	19%
8	Other than Permanent (E)	0	0	0%	0	0%
9	**Total Differently Abled Employees (D+E)**	**27**	**22**	**81%**	**5**	**19%**
Differently Abled Workers						
10	Permanent (F)	8	8	100%	0	0%
11	Other than Permanent (G)	12	11	92%	1	8%
12	**Total Differently Abled Workers (F+G)**	**20**	**19**	**95%**	**1**	**5%**

21. Participation / Inclusion / Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B / A)
1	Board of Directors[1]	11	2	18%
2	Key Management Personnel	5	0	0%

1. Shailesh Haribhakti and Haigreve Khaitan have completed their tenure as Independent Directors of the Company on 31st March, 2024 and Sudhir Mehta has stepped down as Director of the Company effective 31st March, 2024.

Note: Key Managerial Personnel includes Executive Chairman, Director (Operations), Whole time Director, Chief Financial Officer and Company Secretary.

22. Turnover rate for permanent employees and workers:

Category	FY 2023-24 (Turnover rate in current Financial Year)			FY 2022-23 (Turnover rate in previous Financial Year)			FY 2021-22 (Turnover rate in the year prior to previous Financial Year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.8%	26.0%	16.6%	10.9%	25.2%	12.2%	10.8%	24.4%	12.0%
Permanent Workers	2.4%	12.5%	3.0%	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23	S. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
	1.	Torrent Investments Private Limited	Holding		All Policies / practices to the extent relevant are also applicable to the subsidiaries in conformity with the applicable laws
	2.	Zao Torrent Pharma	WOS	100%	
	3.	Torrent Do Brasil Ltda.	WOS	100%	
	4.	Torrent Pharma GmbH	WOS	100%	
	5.	Heumann Pharma GmbH & Co. Generica KG	WOS	100%	
	6.	Heunet Pharma GmbH	WOS	100%	
	7.	Torrent Pharma Inc.	WOS	100%	
	8.	Torrent Pharma Philippines Inc.	WOS	100%	
	9.	Laboratories Torrent, S.A. de C.V.	WOS	100%	
	10.	Torrent Australasia Pty. Ltd.	WOS	100%	
	11.	Torrent Pharma (Thailand) Co., Ltd.	WOS	100%	
	12.	Torrent Pharma (UK) Ltd.	WOS	100%	
	13.	Laboratories Torrent Malaysia SDN. BHD.	WOS	100%	
	14.	TPL (Malta) Ltd	WOS	100%	
	15.	Torrent Pharma (Malta) Ltd	WOS	100%	
	16.	Curatio Inc., Philippines	WOS	100%	
	17.	Torrent International Lanka (Pvt.) Ltd, Sri Lanka (Formerly known as Curatio International Lanka (Pvt.) Ltd)	WOS	100%	
	18.	Farmaceutica Torrent Colombia SAS^	WOS	100%	
	19.	UNM Foundation (Section 8 Company)	Associate	50%	

^ incorporated on 03rd January, 2024

VI. CSR Details

24	i.	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	ii.	Turnover (in ₹ crores)	8,370
	iii.	Net worth (in ₹ crores)	6,829

VII. Transparency and Disclosures Compliances

25	Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct				FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No)	If Yes, then provide web-link for grievance redress policy	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
		Communities	Yes	Policies which are required by the law is available on the website of the Company and the policies which are internal to the Company are available on the intranet of the Company	0	0		0	0	
		Investors (other than shareholders)			0	0		0	0	
		Shareholders			17	0		14	1	
		Employees and workers			12	1		13	0	
		Customers*			1756	13		1539	3	
		Value Chain Partners			0	0		0	0	
		Others (Please Specify)	NA							

* One pending complaint pertaining to Curatio Health Care (I) Private Limited was transferred to the Company on account of its merger vide the Order dated 17th May, 2023 of the National Company Law Tribunal, Ahmedabad Bench, with an appointed date as 14th October, 2022.

26	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Product quality and safety	Risk	The use of high-quality and safe goods ensures that improved health outcomes are attained. Compromise on pharmaceutical product quality would imply a compromise on patients' overall health and wellbeing. This will also entail failure to comply with GxP (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices). Any lapse can lead to product withdrawals, recalls, regulatory action, decreased sales, reputational risk, increased litigation followed by increase in litigation expense.	• Drug product quality and patient safety are the fundamental principles for Torrent Pharma. The Company being in the healthcare sector, the nature of its business requires the utmost attention to the quality of its product. We have taken following measures to ensure resilience against the risk. • We have in place a strong Pharmacovigilance system through which all the stakeholders can access the adverse event / product complaint reporting form on the website of the Company or dedicated phone line and a dedicated mailbox. • The Pharmacovigilance department of the Company oversees monitoring and managing the safety of all our products throughout their lifespan, employing rigorous systems and procedures to ensure that manufacturing quality standards, GMP compliance, and other regulatory criteria are met. • Audits are conducted by the Quality Assurance department to ensure that our high-quality requirements are met. • 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 systems.	Negative
		Innovation: Strengthening R&D pipeline	Opportunity	Innovation and R&D play an important role in determining the long-term success of our Company. The cutting-edge research includes developing new processes for known APIs and developing value-added and differentiated formulations including complex generics. These developments come out as the differentiators for the Company, and thus, leads to an increase in revenues as well. We have committed to invest dedicatedly to tap opportunities and introduce new therapies, medical benefits, and formulations across the globe.		Positive

26	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Water and wastewater management	Risk	There is a great degree of dependency on uninterrupted supply of water for continued operations. Therefore, water management becomes crucial for the Company's operations. With changing climate and drought like conditions, water availability is increasingly becoming a risk across different geographies. Secondly, wastewater management is highly crucial for pharmaceutical industry. The presence of pharmaceutical compounds in the environment is recognised as emerging micro pollutants in aquatic environment, which can indirectly impact human and animal health. If not managed properly, it can lead to a high level of ecological risk.	The Company is not only adhering to the statutory criteria set forth by the Central Ground Water Authority, but it is also taking responsibility for reducing use through effective recycling. Water recycling systems are in place in water-stressed locations such as Indrad, Pithampur & Bileshwarpura manufacturing facilities and R&D centre. The water efficient designs limit the amount of water that can be utilised in different operations. Water usage monitoring across units enables us to strategise the reduction efforts. We also make certain that our effluents are treated properly before being reused or discharged. At our manufacturing facilities, we have a high-tech ETP and a three-stage effluent recycling RO system. For more information, please refer to 'Natural Capital' section of the Integrated Report.	Negative
		Energy efficiency and renewable energy	Opportunity	Renewable energy is expanding at a quicker rate than it has ever been before. The cost of renewable energy has dropped dramatically because of increased government support and continued research and development. Energy efficiency also serves as a major opportunity to reduce operational costs in the long term and is also one of the decarbonisation levers for our Company. For more information, please refer to 'Natural Capital' section of the Integrated Report.		Positive
		Employee engagement, safety and well-being	Opportunity	Employees are our biggest assets. Robust employee engagement, safety, and well-being drives enhanced productivity for the Company. This material aspect is therefore an opportunity to integrate employees' views in the core functioning of the Company, while ensuring employee satisfaction and safety in each process.		Positive

26	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Equality	Opportunity	Investing in equality and diversity brings numerous benefits to the Company. From bringing skills to the team, respecting each employee's rights, promoting innovation and diverse views, enhancing a Company's reputation, and promoting new talent. We believe in giving equal opportunities to everyone irrespective of caste, gender, color, religion or any other bias.		Positive
		Ethics and business integrity	Risk	Torrent Pharma is a global Company with millions of stakeholders. Any ethical and business integrity breach can hamper the Company's credibility, employee morale and may result in significant fines and financial loss.	We have zero tolerance for any ethical and business integrity breach within the Company. The principles enshrined in the Company's Code of Business Conduct guide the work culture in terms of ethics and law. The Code in a real sense promotes honesty, trust, accountability and transparency. It establishes key corporate and organisational ideals that influence the value system and business operations. Every new employee receives a Code of Business Conduct orientation at the time of joining, ensuring that they fully comprehend, embrace, and adapt to the Code. Its implementation and adherence are aided by a powerful vigil mechanism that monitors deviations or disrespect in any form.	Negative
		Adherence to laws	Risk	Torrent Pharma operates in various territories and markets, each having its own regulatory landscape, which continuously evolves changes, and undergoes increased scrutiny from the regulators. Any non-compliance with regulations or scrutiny process can result in dilution of financial position or jeopardise the Company's reputation.	Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to non-compliance'. This is implemented through: • Assessment of regulatory and compliance requirements on regular basis • Robust internal controls • Compliance management systems and continuous monitoring • Internal communication and training on the ethics standards and compliance systems • Independent assessments and audits • Monitoring of Legal and regulatory compliance by Senior management and the Board	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

<table>
<tr><th colspan="3">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td colspan="12">Policy and Management Processes</td></tr>
<tr><td>1</td><td>a.</td><td>Whether your entity’s policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)</td><td colspan="6">Yes</td><td>NA</td><td colspan="2">Yes</td></tr>
<tr><td></td><td>b.</td><td>Has the policy been approved by the Board? (Yes / No)</td><td colspan="9">The policies have been either approved by the Board or senior functional head authorised by the Board in this respect.</td></tr>
<tr><td></td><td>c.</td><td>Web Link of the Policies, if available</td><td colspan="9">Yes. All polices which are required to be disclosed under various governing regulations have been placed on the website www.torrentpharma.com</td></tr>
<tr><td>2</td><td colspan="2">Whether the entity has translated the policy into procedures. (Yes / No)</td><td colspan="6">Yes</td><td>NA</td><td colspan="2">Yes</td></tr>
<tr><td>3</td><td colspan="2">Do the enlisted policies extend to your value chain partners? (Yes / No)</td><td colspan="6">Yes</td><td>NA</td><td colspan="2">Yes</td></tr>
<tr><td>4</td><td colspan="2">Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</td><td colspan="9">• Our ERM Framework is aligned with COSO Framework
• Our product quality is aligned with GxPs (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices)
• The facilities and operational systems are strengthened with integration of ISO 14001:2015 and ISO 45001:2018 standards.
• Our certain facilities are certified with ISO 50001 (Energy Management System).
• Our Dahej manufacturing facility has received IGBC (Indian Green Building Council) silver certification.
• Our Indrad and Dahej manufacturing facilities are certified with ISO 9001:2015 (Quality Management System).
• We have obtained ISO 27001:2013 (Information Security Management System) Certification for all information assets used for provision of IT support services for its identified locations.</td></tr>
<tr><td>5</td><td colspan="2">Specific commitments, goals and targets set by the entity with defined timelines, if any.</td><td colspan="9">The Company has drawn up an ESG roadmap which lays down the key aspects of Sustainability including timelines for achieving the targets.</td></tr>
<tr><td>6</td><td colspan="2">Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</td><td colspan="9">The key performance targets are set, reviewed, and implemented as per the objectives taken. The Corporate Social Responsibility and Sustainability Committee reviews the progress periodically.</td></tr>
</table>

<table>
<tr><th colspan="2">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td colspan="11">Governance, Leadership and Oversight</td></tr>
<tr><td>7</td><td colspan="10">Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.
Torrent Pharma is committed to enhancing the affordability and accessibility of medicines worldwide through production, research and distribution of generic medicines as well as ensuring healthcare is accessible to all. Our Company is built on Core values viz Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency. Therefore, sustainability is ingrained in our ethos, evident in our values and behavior towards sustainability and stakeholders alike.
We acknowledge the global climate change challenge and are dedicated to reducing carbon emission and energy consumption. To this end, we have established targets, identified key focus areas and implemented KPIs to monitor the progress . To achieve these targets, action plans have been developed to make use of hybrid renewable sources such as solar and wind power, bio-briquettes, flash steam systems and heat pumps. While we plan for growth by expanding into core geographies and investing in new markets, the commitment to make medicines accessible and affordable remains steadfast. Sustainability is integrated into all our endeavors to generate long term value.
We prioritise environmental consciousness and strive to minimise our carbon footprint through our best efforts. Our commitment to sustainability extends to our suppliers and contractors, ensuring that sustainable practices are integrated throughout our operations.</td></tr>
<tr><td>8</td><td>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</td><td colspan="9">DIN: 00406498
Name: Jinesh Shah
Designation: Director (Operations)
Telephone No: 079-26599000
Email Id: investorservices@torrentpharma.com</td></tr>
<tr><td>9</td><td>Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</td><td colspan="9">Yes. The Corporate Social Responsibility and Sustainability Committee supports the Board on all matters relating to Sustainability. The Committee inter-alia reviews the implementation progress of sustainability strategy along with its key performance indicators and defines action plan as may be appropriate from time to time to achieve the same.</td></tr>
</table>

10 Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee	Frequency (Annually / Half yearly / Quarterly / Any other – please specify)
Performance against above policies and follow up action	Yes	On a regular basis
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	On a need basis

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency

The processes and compliances are assessed by Internal auditors and Statutory auditors, as applicable. On the regular basis, the policies are reviewed and updated by senior functional heads and approved by the management, Committees of Directors or Board.

Further Grant Thornton Bharat LLP (“GT”) has been engaged to provide assurance on Torrent Pharma’s Integrated Annual Report including Business Responsibility and Sustainability Report for FY 2023-24. As a part of their assurance process GT has reviewed the effectiveness of the policies related to BRSR Core.

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

With respect to Principle 7, the answer is "Not Applicable" as the Company does not have a separate policy on public advocacy. For advocacies related to pharma industry, the Company works through industry associations such as Indian Pharmaceutical Alliance (IPA), Indian Drug Manufacturing Association (IDMA) and others. For more information, please refer to Principle 7.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

At Torrent Pharma, we firmly advocate that while adhering to the minimum framework is essential, superior governance practices are indispensable for cultivating a sustainable and prosperous business. The core of Corporate Governance revolves around promoting and upholding TRANSPARENCY, INTEGRITY, and ACCOUNTABILITY in every transaction. Robust governance processes and systems steer the Company on its path to sustained success. We ensure that both the Company and its employees conduct themselves in a manner that is efficient, ethical, accountable, and transparent at all levels. Additionally, we consistently uphold responsive, inclusive, participatory, and representative decision-making.

Our Core Values, which we believe in and constantly strive to build are Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these Timeless Values, a Pillar of Strength, ENSURES OUR LONGEVITY.

INTEGRITY: When Truth is Paramount

Thoughts and actions entail doing the right thing at all times and in all circumstances; whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honoring one's commitments and being accountable for one's actions, end-to-end.

PASSION FOR EXCELLENCE: When best is not enough

Passion for excellence means not doing extra-ordinary things, but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.

PARTICIPATIVE DECISION MAKING: Involvement that engenders effectiveness

An ideal organisation facilitates participation and involvement of each of its members in various decision making processes, thus ensuring their commitment to such decisions as well as its outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.

CONCERN FOR SOCIETY & ENVIRONMENT: When every smile matters

Concern for Society & Environment is a sense of responsibility and contribution to society that defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow-members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna and rich in time tested values and ideals and above all rich in social fervour for our future generations.

FAIRNESS WITH CARE: Harnessing equality

Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day-to-day fabric, ensures fairness for each and every individual. Empathic care recognises needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.

TRANSPARENCY: Openness that builds enduring trust

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

Our Core values are aligned with the nine Principles of NGRBC.

At Torrent Pharma, we uphold the belief that robust governance practices are designed to ensure transparency, accountability, fairness, and responsibility in decision-making, thus contributing to the long-term sustainability of the Company and fostering trust among stakeholders. Inspired by the values of "INTEGRITY" and "TRANSPARENCY," we consistently maintain a high level of fairness in all our interactions with stakeholders.

The Board of Directors has established a Code of Business Conduct ("the Code"), which applies to all employees and Board Members of the Company. This Code outlines essential corporate ethical standards that shape our business practices and embody our cherished values. It offers guidance to employees in recognising and addressing significant ethical and legal issues, fostering a culture of honesty and accountability.

Furthermore, the Company has implemented a 'Whistle-blower Policy,' demonstrating our commitment to ethical standards, transparency, and accountability. This policy encourages stakeholders to report any instances of unethical behaviour, suspected fraud, or violations of the Company's Code of Business Conduct that could potentially harm the Company's operations, performance, or reputation.

In order to protect investors' interest, we have adopted Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

The Related Party Transactions Policy of the Company provides the process for the approval of various types of Related Party Transactions (RPTs) and general principles governing RPTs. This brings necessary transparency in the RPTs and ensures that the transactions are fair and in compliance with the applicable laws and regulations.

The Policy on Materiality of Events or Information brings consistency in the disclosure of various events or information to the Stock Exchanges in accordance with the thresholds determined.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	8	The Directors of the Company at the time of their appointment are acquainted on the Company's Core Values, Code of Business Conduct and their roles and responsibilities as the director along with Company's operations / business and the industry in which it operates. Further at each meeting of the Board and Committees, the Directors and KMPs are apprised, inter alia, of the material developments in the Company & industry as a whole, material regulatory updates impacting the operations of the Company and key integrity matters that helps to reflect and focus on key strategies. During the year, various familiarisation programmes have been undertaken broadly covering the array of matters relating to Company's strategic plans, business regulations, regulatory changes, updates on CSR initiatives undertaken, Risk management framework and key risks faced by the Company, economy and environmental, social and governance parameters etc.	100%
Key Managerial Personnel	8		
Employees other than BOD & KMPs	1039	At Torrent Pharma, we strongly believe in upskilling our employees by providing various functional as well as general training. We have identified various skills which are relevant to the employees and workers based on their work requirements. On joining, the employees and workers are oriented on various functional and non-functional aspects of the organisation. Detailed orientation program is conducted on the Company's Core Values, Ethical Business Practices, Code of Business Conduct, Prohibition of Insider Trading Code and Organisation's work culture. Further on the regular basis, along with functional aspects, they also undergo various training programmes on employee's wellbeing, Health & Safety, skill updating programmes, Whistle blower mechanism, Prevention of Sexual harassment at workplaces etc. Further details on training and development can be identified in 'Human Capital' section of Integrated Report	100%
Workers	1199		100%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website)**

Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies / Judicial institutions	Amount (In INR)	Brief of the case	Has appeal been preferred? (Yes / No)
Penalty / Fine	Principle 1	Assistant Commissioner of Commercial Tax (Enforcement), South Zone, Bangalore	8,05,565	The Order alleges wrongful claim of transitional credit (TRAN-1) of GST by erstwhile Curatio Health Care (I) Private Limited ("Curatio") for tax period Jul-17 to Mar-18. The Company had acquired Curatio in October 2022 which was subsequently merged into the Company.	Yes
	Principle 1	Assistant Commissioner of Central Tax, Himayatnagar Division, Hyderabad	25,000	The Order alleges wrongful claim of transitional credit (TRAN-2) of GST by erstwhile Curatio Health Care (I) Private Limited ("Curatio") for tax period July-17 to Mar-18 and non-payment of interest. The Company had acquired Curatio in October 2022 which was subsequently merged into the Company.	Yes
	Principle 1	Deputy Commissioner of State Tax, Guwahati, Assam	20,000	The Order alleges excess claim of input credit of GST for tax period July-17 to Mar-18	Yes
	Principle 1	Assistant Commissioner of Central Tax, Ward 203 : Zone 11 : Delhi	85,559	The Order alleges excess claim of input credit of GST for tax period July-17 to Mar-18	Yes
	Principle 1	Office of the Asst. Commissioner of Commercial taxes, Koramangala, Bengaluru	20,000	The Order alleges excess claim of input credit of GST for tax period July-17 to Mar-18	No
	Principle 1	Office of Assistant Revenue Officer, Bruhat Bengaluru Mahanagar Palike	3,19,148	Incorrect payment of property tax during the year 2016-17 to 2022-23 for premises owned by the Company at Bangalore	No
	Principle 1	Assistant Commissioner of CGST & Central Excise, Division-II, Pithampur, M.P.	4,38,164	The Order claims demand for payment in cash instead of amount already paid via Cenvat credit in erstwhile Zyg Pharma Private Limited ("Zyg Pharma") for FY 2005-06. The Company acquired Zyg Pharma in July 2015 which was subsequently merged into the Company.	Yes
Settlement			Nil		
Compounding fee					

Non-Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies / Judicial institutions	Brief of the case	Has appeal been preferred? (Yes / No)
Imprisonment			Nil	
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed. –**

Case Details	Name of the Regulatory / enforcement agencies / judicial institutions
The Order alleges wrongful claim of transitional credit (TRAN-1) of GST by erstwhile Curatio Health Care (I) Private Limited ("Curatio") for tax period Jul-17 to Mar-18. The Company had acquired Curatio in October 2022 which was subsequently merged into the Company.	Joint Commissioner (Appeal), South Zone, Bengaluru.
The Order alleges wrongful claim of transitional credit (TRAN-2) of GST by erstwhile Curatio Health Care (I) Private Limited ("Curatio") for tax period July-17 to Mar-18 and non-payment of interest. The Company had acquired Curatio in October 2022 which was subsequently merged into the Company.	Joint Commissioner (Appeal) under CGST Act 2017
The Order alleges excess claim of input credit of GST for tax period July-17 to Mar-18	Joint Commissioner (Appeal) under CGST Act 2017
The Order alleges excess claim of input credit of GST for tax period July-17 to Mar-18	Joint Commissioner (Appeal) under CGST Act 2017
The Order claims demand for payment in cash instead of amount already paid via Cenvat credit in erstwhile Zyg Pharma Private Limited ("Zyg Pharma") for FY 2005-06. The Company acquired Zyg Pharma in July 2015 which was subsequently merged into the Company.	Commissioner (Appeal) CGST & Central Excise, Indore

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Code of Business Conduct and Whistle Blower Policy adopted by the Company are in line with the legal and statutory framework on anti-bribery and anti-corruption in India. For further details, please refer preamble to Principle 1.

5. **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of conflict of interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods / services procured)**

	FY 2023-24 (Current Financial Year)*	FY 2022-23 (Previous Financial Year)*
Number of days of accounts payables	87	71

*Cost of goods procured is equal to base amount considered for Concentration of Purchases.

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases#	a. Purchases from trading houses as % of total Purchases	9%	9%
	b. Number of trading houses where purchases are made from	130+	110+
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	69%	70%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	74%	72%
	b. Number of dealers / distributors to whom sales are made	5,700+	5,600+
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	9%	9%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	*	*
	b. Sales (Sales to related parties / Total Sales)	22%	24%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments (Investments in related parties / Total Investments made)	100%	1%

Purchase includes purchase of raw material, packing material and stock in trade.

* There are no purchases from related party of raw material, packing material and stock in trade.

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Torrent Pharma is moving rapidly with respect to sustainable capacity building of all our stakeholders. We believe our suppliers play a critical role in our Business Responsibility and Sustainability agenda. We have taken on the responsibility for sensitising and encouraging our vendors to follow the path of sustainability. The Company has created supplier criteria to ensure that their goals and missions are aligned with its own. We have a strong emphasis on ESG factors in addition to general competences, finances, and capacity. Further, during the reporting year, a lot of attention was devoted to operations and procedures in order to reduce waste and make processes more energy efficient and we have also advanced the procurement process this year by ensuring that we work with environmentally and socially responsible vendors. For further details on our supplier engagement please refer to 'Manufacturing Capital' section of Integrated Reporting.

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If Yes, provide details of the same.**

Yes. We have a Code of Business Conduct ("Code") for the Directors and Senior Management to ensure that they exercise the utmost care when engaging in any transaction that may conflict with the interest of the Company, either directly or indirectly. The Code covers the issues on Integrity, Gifts, Conflict of Interest, Legal compliance, Respect for people, Environmental commitment, Safety, Confidential & Proprietary Information, Financial Information, Company assets, Computer Network use & Security, Records maintenance and Management.

The Code adopted by the Company has been posted on the website of the Company. The members of the Board and Senior Management of the Company submit their affirmation on the compliance with the Code on an annual basis.

Designated Persons, whether dealing in personal or official capacity, are expected to avoid activities, agreements, positions, business investments or interests, and other situations that are in conflict or appear conflicting with interests of the Company or that may interfere with the discharge of their duties to the Company.

We, therefore, ensure 100% compliance to Code which ensures zero conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The Company's fundamental principle of "PASSION for EXCELLENCE" illustrates its dedication to prioritising Drug Product quality and patient safety. We allocate substantial resources to cutting-edge research, state-of-the-art manufacturing, and highly skilled personnel to create innovative products tailored to meet patient needs. This underscores our commitment to delivering sustainable and secure products and services.

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	3.86%	2.63%	R&D investments pertains to spending on various projects focused on improving the environmental and / or social impacts of our products and processes.
Capex	5%	17%	**FY 2023-24** • Commissioned Agro waste based (In briquette form) boiler at Indrad, Baddi and Dahej manufacturing facilities which led to substantial reduction in fossil fuel consumption and thereby significantly reducing environmental impact / carbon footprint compared to previous financial year in Scope-1 emission. • Installation of Heat pumps at Dahej manufacturing facility which results in reduction of steam generation cost and carbon emissions. **FY 2022-23** • Commissioned Hybrid (Solar & Wind) Power generation plant with an investment of ₹ 85 Crores for Indrad and Bileshwarpura manufacturing facility and R&D Centre. This generation facility is situated at Kalawad, Dist: Jamnagar, Gujarat and comprises of Two wind mills having capacity of 2.7 MW each and 5.0 MW AC Solar Power plant. This results into significant reduction of Scope 2 emission compared to previous financial year. • Installation of Heat pumps at Indrad and Baddi manufacturing facilities which results in reduction of steam generation cost and carbon emissions.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes / No). If yes, what percentage of inputs were sourced sustainably?**

Torrent Pharma is on an ESG Transforming journey, and it believes supplier collaboration as crucial to doubling its effect. We have initiated sensitising and encouraging our vendors to follow the road of sustainability with the goal of driving sustainable behaviour beyond their manufacturing facilities. Keeping in mind the best interests of the patients, the Company endeavours to work with responsible suppliers who adhere to the uniform quality, social and environmental standards as Torrent Pharma.

We have standard operating procedures for the evaluation and selection of our vendors for sourcing of material. This includes the evaluation of the EHS resources and their compliance by suppliers and vendors for key raw materials / APIs and intermediates. We have system of identifying and / or developing alternate vendors where single vendor is considered critical for business continuity. For further details please refer to 'Manufactured Capital' section of Integrated report.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.**

Product	Process to safely reclaim the product
a. Plastics (including packaging)	Under the Plastic Waste Management Rules, 2016, the Company is registered as a Brand Owner with Central Pollution Control Board (CPCB). Pursuant to this, 1,611 MT per annum equivalent quantity of plastic waste was collected from PAN India during the year under review and recycled and co-processed in cement industries. The Company is fully compliant with the Plastic Waste Management Rules as applicable.
b. E-Waste	E-waste is disposed of through registered recycler.
c. Hazardous Waste	Hazardous waste is disposed off through pre-processing, co-processing, incineration, landfill and by selling to authorised re-cycling & decontamination facility of registered recyclers. Expired / near expiry / rejected medicines are taken back from the distributors and disposed off (co-processed) in cement plants like other hazardous waste.
d. Other Waste	Bio-medical waste is disposed off through Common Bio-medical Waste Treatment and Disposal Facility (CBWTF) incinerator.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to the Company's activities and the waste collection plan is in line with the EPR action plan submitted to Central Pollution Control Board (CPCB). The usage of plastic for packaging the finished product is as per norms as laid down by the Pollution Control Board. Further the process is in place for receipt and disposal of plastic and is in line with the applicable Statutory regulations.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by Independent external agency (Yes / No)	Results communicated in public domain (Yes / No). If yes, provide the web link
21009	Lercanidipine hydrochloride	NA (Only for Captive Consumption)	Cradle to Gate	No	Not applicable

2. **If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action taken
Lercanidipine hydrochloride	Not Applicable	No Action required as changes have positive impact on Environmental concerns. Process improvement done without compromising Quality by increasing efficiency (2X Molar Yield, 2.2X atom efficiency), improving E factor (60 % reduction), reducing energy consumption and Effluent volume (reduced by 80 %) as well as improving safety.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Solvent in API Process	0	13.51%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	529.00	1,082.00	-	268.00	576.00
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	382.60	-	-	430.00
Other waste	-	-	-	-	-	-

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic Packaging	100% (As per applicable statutory norms)

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

At Torrent Pharma, the Company places utmost importance on the health and wellbeing of its employees, evident in its core principles. We are dedicated to fostering a work environment that prioritises employee safety, promotes equality, and offers diverse and supportive opportunities. These values are encapsulated in our core tenets of "FAIRNESS WITH CARE" and "PARTICIPATIVE DECISION MAKING". Employees, business teams, vendors, and other stakeholders are supported and encouraged to adhere to best practices for human safety and the maintenance of safe working environments

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B / A)	No. (C)	%(C / A)	No.(D)	%(D / A)	No. (E)	%(E / A)	No. (F)	%(F / A)
Permanent Employees											
Male	12,902	12,902	100%	12,902	100%	0	0%	18^	0%	18^	0%
Female	1,164	1,161	100%	1,164	100%	1,164	100%	0	0%	947	81%
Total	**14,066**	**14,063**	**100%**	**14,066**	**100%**	**1,164**	**8%**	**18**	**0%**	**965**	**7%**
Other than Permanent Employees											
Male	266	266	100%	266	100%	0	0%	0	0%	0	0%
Female	19	19	100%	19	100%	19	100%	0	0%	19	100%
Total	**285**	**285**	**100%**	**285**	**100%**	**19**	**7%**	**0**	**0%**	**19**	**7%**

^ Paternity benefits and Day Care Facilities provided by the Government

b. Details of measures for the well-being of workers :

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B / A)	No. (C)	%(C / A)	No.(D)	%(D / A)	No. (E)	%(E / A)	No. (F)	%(F / A)
Permanent Workers											
Male	535	535	100%	535	100%	0	0%	0	0%	0	0%
Female	30	30	100%	30	100%	30	100%	0	0%	30	100%
Total	**565**	**565**	**100%**	**565**	**100%**	**30**	**5%**	**0**	**0%**	**30**	**5%**
Other than Permanent Workers											
Male	1,928	1,928	100%	1,928	100%	0	0%	0	0%	0	0%
Female	427	427	100%	427	100%	427	100%	0	0%	422	99%
Total	**2,355**	**2,355**	**100%**	**2,355**	**100%**	**427**	**18%**	**0**	**0%**	**422**	**18%**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.42%	0.35%

2. Details of retirement benefits, for Current and Previous Financial Year:

Sr. No.	Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / N.A.)
1	PF	100%	100%	Y	100%	100%	Y
2	Gratuity	100%	100%	Y	100%	100%	Y
3	ESI*	10%	43%	Y	11%	37%	Y
4	Others-Superannuation	42%	NA	Y	45%	NA	Y

*Those not covered under ESI, are covered through group Mediclaim policy.

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is dedicated to fostering an enabling environment for individuals with disabilities to fulfill their roles and thrive. Our facilities are equipped with the necessary infrastructure to ensure accessibility and inclusivity for differently abled staff, in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016

We wholeheartedly advocate for equal opportunities for all, recognising the significance of fostering a diverse and fair workplace environment. Individuals from diverse backgrounds have been integral members of our team for an extended period, contributing their talents across various departments and roles.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Torrent Pharma cultivates an inclusive work culture and upholds a discrimination-free environment for all its employees, an intrinsic aspect of its Human Rights Policy. Aligned with our core values, we embrace diversity principles and uphold a zero-tolerance policy against discrimination based on race, gender, religion / beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other protected class as defined by the country's laws. The said Policy is available on the website of the Company **www.torrentpharma.com**.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention Rate
Permanent Employees		
Male	NA	NA
Female	73%	66%
Total	**73%**	**66%**
Permanent Workers		
Male	NA	NA
Female	100%	NA
Total	**100%**	**NA**

6. Is there a mechanism available to receive and redress grievances, for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	At Torrent Pharma, we value our employees and believe that Torrent's success is an outcome of the collective contribution of all our employees. We have in place an appropriate grievance redressal mechanism wherein employees can directly report their concerns to their Head of Department, HR head or any members of Senior management. We have a Worker's Union for shop floor personnel, where their issues are addressed. We also have an Open-Door Policy / Whistleblower Policy for all employees.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D / C)
Permanent Employees						
Male	12,902	0	0%	11,543	0	0%
Female	1,164	0	0%	1,122	0	0%
Total	**14,066**	**0**	**0%**	**12,665**	**0**	**0%**
Permanent Workers						
Male	535	535	100%	548	548	100%
Female	30	30	100%	34	34	100%
Total	**565**	**565**	**100%**	**582**	**582**	**100%**

8. Details of training given to employees and workers:

a. Details of Skill training given to employees and workers.

Category	FY 2023-24 (Current Financial Year) Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	FY 2022-23 (Previous Financial Year) Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D / C)
Employees						
Male	13,168	8,187	62%	11,852	7,681	65%
Female	1,183	992	84%	1,139	902	79%
Total	**14,351**	**9,179**	**64%**	**12,991**	**8,583**	**66%**
Workers						
Male	2,463	2,429	99%	2,150	2,150	100%
Female	457	457	100%	362	362	100%
Total	**2,920**	**2,886**	**99%**	**2,512**	**2,512**	**100%**

b. Details of training on Health and Safety given to employees and workers.

Category	FY 2023-24 (Current Financial Year) Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B/A)	FY 2022-23 (Previous Financial Year) Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D / C)
Employees						
Male	13,168	13,149	100%	11,852	11,838	100%
Female	1,183	1,147	97%	1,139	1,104	97%
Total	**14,351**	**14,296**	**100%**	**12,991**	**12,942**	**100%**
Workers						
Male	2,463	2,463	100%	2,150	2,150	100%
Female	457	457	100%	362	362	100%
Total	**2,920**	**2,920**	**100%**	**2,512**	**2,512**	**100%**

9. Details of performance and career development reviews of employees and worker:

Over the year, the line managers regularly review and discusses possible improvements on the current performance and ensure the goals of the department are achieved. These interactions aid in aligning the employee's contributions to overall business needs. The goal of Performance Enhancement Program is to gain a better understanding of an employee's strengths and weaknesses, provide constructive feedback for future skill development and assist with Goal Planning. During the Annual Performance Management exercise, every employee is subjected to the annual performance evaluation process.

We have an inbuilt robust tool for ensuring the conduct of Performance Appraisal process in a fair and impartial manner. A strong in-built mechanism ensures that the Performance Appraisal process is conducted in a fair and impartial manner. The process is comparable across all the Torrent Group's entities and is initiated by the Group HR across the companies. The Annual Performance Review comprises the following features:

1. Informing all employees of the Annual Performance Appraisal process
2. Ensure the performance review is conducted as per the defined process
3. Every employee is evaluated based on the set targets and defined competencies and accordingly scores are awarded. Weightage is also given for employee's contribution to specific projects.
4. Later the appraisal tool normalises the scores and based on the normalised score increment is awarded

With regards to workers in manufacturing facilities, we have Wage settlement in place and increments are given to the workers as per the Agreement signed.

Category	FY 2023-24 (Current Financial Year) Total (A)	No. (B)	% (B / A)	FY 2022-23 (Previous Financial Year) Total (C)	No. (D)	% (D / C)
Employees						
Male	13,168	9,899	75%	11,852	10,059	85%
Female	1,183	760	64%	1,139	883	78%
Total	**14,351**	**10,659**	**74%**	**12,991**	**10,942**	**84%**
Workers						
Male	535	535	100%	548	548	100%
Female	30	30	100%	34	34	100%
Total	**565**	**565**	**100%**	**582**	**582**	**100%**

Note: Out of 14,351 employees, 10,659 employees were eligible for performance and career development reviews during the year.

10. Health and safety management system:

Torrent Pharma, prioritises the health, safety, and wellness of all its employees above all. The Company is dedicated to establishing a secure and healthy work environment for every employee throughout the Organisation. Our Environmental Health and Safety (EHS) function operates effectively under a well-defined EHS Policy, uniformly applied across all our manufacturing facilities, Corporate Offices, and R&D Centre. Our contractors benefit from comprehensive coverage through various Health, Safety, and Environment (HSE) initiatives. The policy undergoes regular evaluation and updating, taking into account International Organisation for Standardisation (ISO) and other global requirements, to ensure that our EHS system remains globally oriented and sets the benchmark for excellence.

We have following measures in place to create a safe working environment for our employees and to address work related hazards:

- Near misses and incidents are frequently eliminated through routine safety inspections.
- The department head issues a permit to work system for non-routine activities and critical works for a set length of time.
- Internal audits are carried out by internal professionals to guarantee that safe practises are best implemented.
- External audits are conducted by subject experts in order to ensure safe practices.
- Every essential process undergoes HAZOP studies, which include hazard identification and risk assessment by departmental activity.

We have the system of incident reporting which allows us to keep track of any incidents that occur at any location and based on such reporting Corrective Action and Preventive Action ('CAPA') / Learning from Incident ('LFI') reporting is issued to all the concerned persons, which help us to prevent re-occurrence of similar incidents in future.

We have full-time doctor(s) at all our manufacturing facilities, who attend to any medical issues that arise. Employees and their immediate families have medical insurance or are covered under ESI benefits that covers hospitalisation costs in the event of an accident or other unforeseen medical emergencies.

11. **Details of safety related incidents, in the following format:**

Safety Incident / Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees and Workers	0.15	0.10
Total recordable work-related injuries	Employees	2	1
	Workers	1	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Includes figures of industrial premises only

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company has embraced contemporary best practices to ensure a safe working environment. Standard Operating Procedures (SOPs) are not only available but also accessible in the local language, adhered to by all personnel. A Permit-to-Work system is implemented for the safe execution of non-routine and critical activities, while personal protection is ensured through the use of Personal Protective Equipment (PPEs). Regular mock drills and fire drills are conducted to assess the Company's emergency readiness and safety measures in the event of unexpected occurrences.

Continuous and focused efforts in the Health, Safety, and Environment (HSE) domain include the adoption of various digitalisation initiatives in existing HSE practices. These initiatives include an Online portal for reporting Unsafe Acts / Conditions and Incidents, along with corrective and preventive actions. Continuous safety training and counselling sessions, both technical and behavioural, are conducted, alongside various HSE campaigns, internal and external safety inspections, and audits. These efforts have significantly contributed to reducing incident rates, fostering a sustainable, safe and healthy working environment for our workforce and other stakeholders.

Regular Health and Safety training is provided to all employees and contract workers by both external and internal HSE specialists. Furthermore, department-specific safety manuals are in place and adhered to by all employees

13. **Number of Complaints on the Working Conditions and Health & Safety made by employees and workers:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil					
Health & Safety						

14. **Assessments for the year:**

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

We have implemented various activities as proactive measures and risk assessments such as:

- Fire detection & alarm system extended to areas like IPQA office, utility, document cell etc;
- Sprinkler extended in Boiler house solid fuel area for fire protection;
- Portable working ladders / stools are introduced for safe working;
- Safety signages placed at more places for awareness;
- Contract workers and bus drivers training emphasised;
- Battery operated Forklift introduced for trouble free low noise operation.

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y / N) (B) Workers (Y / N).**

We extend the benefit of medical insurance and Group Personal Accident Policy for all our employees. Further, we have in place the Conviction of Safety Policy which substantially compensates the employees who have been adversely affected by accident and the unfortunate event of Death or Permanent / Temporary disablement. We also have in place a policy on financial support that compensates on the event of demise. Benefits like provident fund, extended gratuity payment and superannuation are settled on a priority basis.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

At Torrent Pharma, we always adhere to the regulatory and applicable compliance with numerous laws. We ensure that our value chain partners also follow relevant compliance, and it is an essential part of the contract agreed with the service provider. We also collect previous month deposit challans before releasing money to the service provider for statutory payments.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil			
Workers				

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes / No).**

For employees who are about to get retired, we offer them retirement planning advice. Also, we provide 4-6 weeks' time to an employee who is transferred internally so that they get adequate time to adapt to the change.

5. **Details on assessment of value chain partners:**

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% All LLM sites were audited according to a set of guidelines.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Few recommendations were received during the assessments, which have been addressed internally. However, no significant risks / concerns were observed owing to extreme vigilance and efforts put on health and safety within the Company.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

At Torrent Pharma, we understand that ensuring the success of our business hinges on meeting the expectations of our expanding array of stakeholders. This includes Patients, Channel Partners, Suppliers, Health Care Professionals, Government and Regulators, Industry Associations, Investors and Shareholders, Communities, and Employees. We acknowledge the importance of actively engaging with these stakeholders, as their input is invaluable for enhancing our value creation process. Effective stakeholder engagement allows us to cultivate strong relationships while offering stakeholders a transparent view of our organisation's activities and business approach. Therefore, accurate stakeholder identification, comprehensive engagement efforts, efficient consultations, and timely feedback collection are fundamental to our business operations. We have always prioritised partnering with our stakeholders and sharing the benefits of socio-economic progress. These measures are integral to our business continuity, transparency, and sustainability agenda.

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity:**

The entire operational framework of Torrent Pharma relies on its stakeholders, who are essential to its fundamental functioning. From the contributors of financial resources to the communities granting social permission to operate, stakeholders are pivotal in the holistic advancement and enduring progress of our Company. Regularly, the Company identifies all key stakeholders, who may be affected by its operations, assessing their capacity to impact Torrent Pharma and discerning their primary concerns.

For further details on stakeholder identification, please refer to 'Stakeholder Engagement' section of our Integrated Report.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes / No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
Patients	No	• Website • Clinical studies • Pharmacovigilance	Need Basis	Patients are the ultimate customers of Torrent Pharma. The Company interacts with patients proactively to understand the end users' expectations in terms of timely delivery of quality products at an affordable price range.
Channel Partners	No	• Meetings • Field visits • Digital Communication	Need Basis	Channel partners play an important role in the distribution of products across different geographies and ensure accessibility of products to Patients. We interact with them to discuss product distribution strategies and monitor the operations on a regular basis.
Suppliers	No	• Meetings • Visits • Supplier audit • Facility visits	Need Basis	Suppliers are contacted regularly to ensure material quality, safety and timely availability amongst other critical services to ensure continuity of business operations. We also connect for supplier training, audits on operational and sustainability matters.
Healthcare Professionals	No	• Meetings • Conferences • Seminars • Field visits • CME events	Need Basis	Healthcare professionals act as a link between patients and our products. They are the direct representatives of our medicines and thus, we interact with them to understand market outlook, patient demands, patient's reviews, and their feedback including any adverse event reporting, if any.
Government and Regulators	No	• Meetings • Conferences • Facility visits • Official Communications • Statutory Publications	Need Basis	Policies and regulatory changes impact operations as well as provide opportunities. Strict compliance with the laws and regulations together with ethical business conduct is crucial for business viability. In the fast-changing world of sustainability related regulations and laws, we interact with Government and Regulators to deep dive into requirements for our Company, and pharmaceutical sector in general.
Industry Associations	No	• Industry Conferences • Representations on policy matters	Need Basis	Public policy advocacy and awareness on our contribution to society are major topics of discussions with industry associations. We also share the best-case practices for cumulative development of pharmaceutical industry.
Shareholders and Investors	No	• Earning calls • Meetings • Investor Conferences • AGM • Website	Quarterly	Shareholders and Investors forms an integral part of the Stakeholder group, influencing decisions of the Company. We believe in maintaining financial transparency with our investors and shareholders. We share quarterly financial results through our website regularly and connect with our investors to understand their expectations & grievances and perform consultations on ESG topics amongst other topics.
Communities	Yes	• Interactions through CSR initiatives	Carried out continually throughout the year	The Company strives to create positive impact on the local communities where it operates. Being a responsible corporate citizen, we believe in "Giving back to the society, for all the years of care, support and nurturance that have been bestowed upon the organisation". Starting from community need assessments, grievance resolution to having extensive CSR programs, we contribute towards community development through our foundation. The Company fulfills its manpower requirement by employing the people from the nearby location where it has its business operation to the extent possible.
Employees	No	• Senior management interactions • HR Communications • Engagement Programme	Need basis	The Company believes that employees are its greatest asset(s) who help augment the growth and success. We interact with our employees every day, since they are the pillar of our reputation, our functioning and are the torchbearers of the Company in future. Employee engagement, training, grievance redressal, feedbacks, consultations are major reasons of our interactions.

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Engagement and dialogue enable us to understand the needs and views of stakeholders.

In recent years, we have gathered opinions and insights from all its stakeholders that had an influence on the organisation's material topics. The input of stakeholder were used to determine topics that are material to the Company. The outcome of that materiality exercise was translated into an Integrated Strategy for the Company using various other global standards and requirements. This strategy framework was further detailed including specific sustainability focus, pillars, goals and targets.

Apart from this recent exercise, we believe in consultations with our stakeholders on sustainability to implement our major initiatives. Many of the engagements take place during the routine course of business, in day-to-day interactions with the stakeholders. Engagements on sustainability includes sensitising suppliers towards sustainability, receiving product feedbacks in terms of safety from healthcare professionals and patients, undertaking hundreds of sustainability initiatives and volunteering programs with employees and increasing healthcare accessibility with channel partners amongst other things. Also, the Board interacts with Senior management personnel of the Company on various matters relating to the above.

Meaningful output from these discussions is channeled to the respective departmental heads, which are further taken to senior management and the Board if required.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Torrent Pharma conducted a detailed materiality assessment by gathering opinions and insights from all its stakeholders. It assessed the impact of environmental, social, governance and economic issues, critical for long-term viability and sustainability of the organisation. This evaluation helped in identifying and prioritising the issues that were most important to the sustainability of our business and value creation.

Thus, with our materiality exercise we understood our stakeholder priorities and areas of concerns. These inputs were mathematically analyzed to develop our ESG Materiality Matrix, our Integrated Strategy and Roadmap.

3. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable / marginalised stakeholder groups.**

Vulnerable or marginalised stakeholders are identified by the Company based on gender, caste, age, Occupation and Persons with disabilities. A portion of our resources and activities are channeled towards enabling meaningful social, ethical, and environmental impact. We believe in the development of vulnerable and marginalised groups around our premises and operational areas. We conduct community need assessments to identify the needs of the communities every year.

The Company engages with vulnerable or marginalised stakeholders through the CSR outreach programmes. Driven by the belief of Chairman Emeritus, Sudhir Mehta ***'Children are the future of our nation and this future must be well preserved'***, the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of UNM Foundation, a section 8 company. REACH has three major pillars: (a) grass root interventions, (b) greenfield actions and (c) other allied initiatives. The CSR activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. Through these projects, we are committed to working towards enhancing the access to quality healthcare, to improve the lives of the people across communities and promote welfare of the underprivileged segments. For more information on our CSR activities, please refer to 'Social and Relationship Capital' section of Integrated Report.

PRINCIPLE 5: Businesses should respect and promote human rights

At Torrent Pharma, we take complete responsibility to respect and uphold human rights. As part of our commitment, we have in place several policies including structured Human rights Policy and initiative to ensure that our practices align with international human rights standards.

Right to life and health, Right to Education, Prohibition of Child Labour, Elimination of All Forms of Discrimination, Equal Rights of Women in Relation to Employment, Right to Equality and Non-discrimination are the various Human Rights amongst others that Torrent Pharma supports and promotes.

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

Torrent Pharma is committed to doing business in a fair and transparent manner, adhering to the highest ethical standards and incorporating policies that respect the environment, human rights, and labour laws. The Organisation has in effect a rigorous vigil mechanism, i.e., the Whistle blower Policy to report unethical conduct in order to promote professionalism, fairness, dignity and ethical behaviour in its staff and stakeholders. We have initiated training to encourage all our workforce to adhere to the Human rights principles.

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	14,066	13,945	99%	12,665	12,615	99.61%
Other than Permanent	285	285	100%	326	326	100%
Total	**14,351**	**14,230**	**99%**	**12,991**	**12,941**	**99.62%**
Workers						
Permanent	565	565	100%	582	582	100%
Other than Permanent	2,355	Refer Note (1)		1,930	Refer Note (1)	
Total	**2,920**			**2,512**		

Note 1: Workers are provided several training on different topics of Human rights. They are made aware of the Company's Code of Business Conduct, various HR Policies etc. Further several informal discussions are held with workers by their functional head to make them aware about the Human rights. Such sessions are currently not tracked. Further, the Code of Business Conduct is available for reference on the Company's website and on the Company's intranet portal. They are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable laws, rules and regulations, and all applicable policies and procedures adopted by the Company.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	12,902	260	2%	12,642	98%	11,543	18	0%	11,525	100%
Female	1,164	78	7%	1,086	93%	1,122	3	0%	1,119	100%
Total	**14,066**	**338**	**2%**	**13,728**	**98%**	**12,665**	**21**	**0%**	**12,644**	**100%**
Other than Permanent										
Male	266	119	45%	147	55%	309	5	2%	304	98%
Female	19	5	26%	14	74%	17	1	6%	16	94%
Total	**285**	**124**	**44%**	**161**	**56%**	**326**	**6**	**2%**	**320**	**98%**

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Permanent										
Male	535	0	0%	535	100%	548	0	0%	548	100%
Female	30	0	0%	30	100%	34	0	0%	34	100%
Total	**565**	**0**	**0%**	**565**	**100%**	**582**	**0**	**0%**	**582**	**100%**
Other than Permanent										
Male	1,928	1,333	69%	595	31%	1,602	1,054	66%	548	34%
Female	427	142	33%	285	67%	328	103	31%	225	69%
Total	**2,355**	**1,475**	**63%**	**880**	**37%**	**1,930**	**1,157**	**60%**	**773**	**40%**

3. **Details of remuneration / salary / wages:**

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	9	65,00,000	2	58,00,000
Key Managerial Personnel	5	5,43,46,539	0	-
Employees other than BoD and KMP	13,163	5,36,628	1,183	3,97,704
Workers	535	5,18,208	30	5,15,208

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages*	6%	7%

* excluding employees at representative offices of the Company.

4. **Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)**

We recognise the significance of human rights. We also acknowledge that there may be problems that hinder our efforts to establish a secure workplace devoid of any kind of unfair or immoral behavior. We address any such issues that are reported affecting human rights in any form through the heads of various welfare committees, union representatives, department heads, and HR heads. The Company has dedicated mail id where complaints related to human rights issues can be registered .In order to address complaints of sexual harassment at work, the Company has implemented a POSH policy that is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Individual dignity shouldn't be compromised, and we work to uphold it via a variety of internal procedures.

In the endeavour to create consistent value propositions for all the stakeholders and to ensure highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted 'Whistle-Blower Policy'. Through this Policy the Company encourages stakeholders to bring any instances of unethical behaviour and actual or suspected misconducts of fraud or violation of Company's Code of Conduct that could adversely impact Company's operation, business performance and / or reputation.

Under this Policy, the Company investigates any aforesaid incidents, when reported, in an impartial manner and takes appropriate action to ensure that required standards of professional and ethical conduct are maintained. The Company ensures protection of the employees who bring forth any such incidents to its attention. The outcome of the investigation is informed to all the concerned parties and a written report of the findings are prepared.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has established a complaints mechanism to investigate complaints related to human rights issues. The Company maintains an open-door policy whereby employees may raise concerns directly with the HR head or any other member of Senior management. We have a union for workers in the production departments where their problems are solved. In addition, complaints can also be filed in accordance with Policy on Prohibition of sexual harassment at workplace.

6. **Number of Complaints made by employees and workers:**

Torrent Pharma has policies and procedures to uphold human rights. The endeavour is to do the business in a fair and transparent manner maintaining highest ethical standards that supports and protects Human Rights and has demonstrated a zero-tolerance for any type of unethical behavior or misconduct. In order to encourage professionalism, fairness, dignity, and ethical behavior among our employees and stakeholders, we have implemented a rigorous vigil mechanism, i.e., the whistle blower mechanism to report unethical activity. The Company's whistle blower mechanism with which it seeks to provide a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behavior and improper / illegal practices and wrongful conduct taking place in the Company that are to be addressed.

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil			Nil		
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issue						

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In accordance with the provisions of the Sexual Harassment Against Women at Work (Prevention, Prohibition and Redressal) Act 2013 and the rules promulgated thereunder, we have adopted a policy to protect women from sexual harassment at work for the women employees. This encourages female employees to pursue their careers without fear of prejudice, gender bias, sexual harassment and / or any such orientation, implicit or explicit. For this purpose, complaints arbitration committees are formed at administrative units / offices. Inquiries under this Policy will be conducted in the strictest confidentiality. Anyone who is entrusted with the processing of complaints and violates the duty of confidentiality is liable to be prosecuted. In addition, we have a Whistle blower Policy that provides the necessary safeguards for all whistle blowers to make disclosures in good faith and any party assisting the investigation.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes / No)**

Yes, in, certain business agreements and contracts where relevant.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced / involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	--

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not Applicable

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.**

   We have Human Rights Policy which is developed in accordance with the Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights (UNGP) which include processes of respecting, protecting and remediating human rights issues including those fundamental conventions identified by the International Labour Organisation (ILO) and principles of National Guidelines on Responsible Business Conduct (NGRBC)

   During the year, no complaints were received. Through various training mechanisms and a well-defined vigil system in place, the Company ensures that its workforce is aware about Human Rights policy and more sensitive to human rights. Furthermore, our employees have received training on our human rights policies and processes

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   No such due diligence was either warranted or conducted.

3. **Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes. We have ensured accessibility of all the premises / offices for differently abled visitors.

4. **Details on assessment of value chain partners:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	100% of LLM sites were assessed
Discrimination at workplace	
Child labour	
Forced / involuntary labour	
Wages	
Others – please specify	--

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Not Applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Torrent Pharma recognises the significance of environmental sustainability and is dedicated to the prudent utilisation of natural resources while endeavouring to lessen its environmental impact. Mindful of the global climate change crisis, we are committed to reducing our footprint by expanding the utilisation of renewable energy in our operations and actively contributing to environmental restoration efforts.

Moreover, our Health, Safety, and Environment Department takes a proactive approach to regularly monitor the Company's environmental performance. This includes conducting internal audits and facilitating external audits to ensure compliance with international standards such as ISO 14001 and ISO 50001.

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From Renewable Sources		
Total electricity consumption (A) [Giga Joules (GJ)]	83,157	8,022
Total fuel consumption (B) (GJ)	1,72,187	12,401
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption from renewable sources (A+B+C) (GJ)	**2,55,344**	**20,423**
From Non-Renewable Sources		
Total electricity consumption (D)	3,83,472	4,42,530
Total fuel consumption (E)	2,07,996	3,39,000
Energy consumption through other sources (F)	0	0
Total energy consumed from Non renewable sources (D+E+F)	**5,91,468**	**7,81,530**
Total Energy Consumed (A+B+C+D+E+F)	**8,46,812**	**8,01,953**
Energy intensity per rupee of turnover (Total energy consumed / revenue from operations)	99.24 GJ / crore	104.22 GJ / crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / revenue from operations adjusted for PPP)*	2270.58 GJ / crore	2384.42 GJ /crore
Energy intensity in terms of physical output	125.62 GJ / metric ton	122.87 GJ / metric ton
Energy intensity (optional) – the relevant metric may be selected by the entity		

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by world bank for India which is 22.88.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Indrad manufacturing facility and R&D Centre is certified for Energy Management System ISO 50001 by ISOQAR (Registered under UKAS Management System) and Baddi manufacturing facility is certified by BSI (Registered under ANAB)

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y / N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No. The PAT Scheme is not applicable to the pharmaceutical industries.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in Million m³)		
(i) Surface water	0.817	0.782
(ii) Groundwater	0.265	0.264
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (Water recycled and reused)	-	-
Total volume of water withdrawal (in Million m3) (i + ii + iii + iv + v)	**1.082**	**1.046**
Total volume of water consumption (in Million m3)	**0.974**	**0.950**
Water intensity per rupee of turnover (Total Water consumed / revenue from operations)	0.00011 million m3 / crore	0.00012 million m3 / crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / revenue from operations adjusted for PPP)*	0.0026 million m3 / crore	0.0028 million m3 / crore
Water intensity in terms of Physical Output	0.00014 million m3 / metric ton	0.00015 million m3 / metric ton
Water intensity (optional) – the relevant metric may be selected by the entity		

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by world bank for India which is 22.88.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in Million m³)		
(i) **To Surface water**		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) **To Groundwater**		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) **To Seawater**		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) **Sent to third parties**		
- No treatment	0	0
- With treatment – please specify level of Treatment (sent to CETP after primary treatment at Vizag, Tertiary treatment at Dahej and Baddi)	0.1085	0.096
(v) **Others**		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in Million m3)	**0.1085**	**0.096**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Water discharge monitoring was carried out at Dahej manufacturing facility by NABL Approved Laboratory and PCB allocated Schedule - 1 Environment Auditor on regular intervals. Common Effluent Treatment Plant (CETP) agencies monitor the discharge for quantity and quality also.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We aspire to become Zero Liquid discharge across all our manufacturing facilities.

Our Wastewater system comprises of Effluent Treatment Plant (ETP), Reverse Osmosis (RO), Nano filtration (NF), Multiple Effect Evaporator (MEE), Agitated Thin Film Dryer (ATFD), Solvent stripper, STP, Volute, sludge Dryer. These state of art technologies ensure to make treated wastewater fit for recycle / reuse and reduce the waste for landfilling.

Treated wastewater is reused for survival of inhouse green belt. The recovery of RO is > 90 % and the permeate water is recycled in utilities.

The treated wastewater from API unit of Indrad and Dahej manufacturing facilities is completely recycled in utilities.

The manufacturing facilities have been equipped with state-of-art effluent treatment facilities, which ensure Zero Liquid Discharge of wastewater for API units, as per criteria applicable to respective locations.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	MT	23.79	52.50
SOx	MT	106.20	218.26
Particulate matter (PM)		-	-
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Air emission monitoring was carried out by NABL Approved Laboratories and respective PCBs.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available) (Emissions from Non-renewable fuels)	tCO_2e	15,294	25,063
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	76,268	97,111
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e	11 tCO_2e / crore	16 tCO_2e / crore
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*	tCO_2e	245.51 tCO_2e / crore	363.26 tCO_2e / crore
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	tCO_2e	13.58 tCO_2e / metric ton	18.72 tCO_2e / metric ton
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by world bank for India which is 22.88.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail

The Company has taken a target of reducing its Scope 1 & Scope 2 emissions by 21% by 2025. We are continuously investing capital and resources in achieving the same. Our key areas of action include:

A. Energy efficiency measures: We undertook several energy initiative, which include:

- Installation of Heat pump at Dahej & Sikkim manufacturing facilities for hot water generation resulting into saving of 7,000 Tons of Steam.
- Installed energy efficient equipment at all locations with saving of 1.0 Lakh KWH energy per annum
- Power factor maintained at near unity at various manufacturing facilities and R&D Centre resulted curtailment of power losses and rebate from State Electricity Boards.

- Multi Effect Evaporator ("MEE") / Agitated Thin Film Dryer ("ATFD") high cost operation optimised by process improvement like treatment of softener wastewater and diversion of condensate which reduced MEE operation and resulted into saving of 1,000 Tons of steam and 1 Lakh KWH energy.

B. Enhanced data monitoring:

- Optimisation of Manufacturing operation and cleaning which resulted in reduction in hazardous waste generation by 13% compared to last fiscal.

C. Alternative fuel usage:

- Commissioned the new boilers with bio-fuel (briquette / agro waste / biomass) at Indrad, Dahej and Baddi manufacturing facilities leading to total reduction in fossil fuel consumption by 38% and reducing the environmental impact / carbon footprint significantly by 39% compared to previous fiscal.

D. Renewable energy:

- Commissioned Hybrid Power plant comprising of 2 (two) wind mills of 2.7 MW each and 5 MW AC solar power plant at Kalavad, Jamnagar with an investment of ₹ 85 crores for Indrad and Bileshwarpura manufacturing facilities and R&D Centre resulting into generation of 21.0 Mn KWH green energy.
- 22.12 Lakh KWH Solar roof top renewable energy generation at Indrad, Bileshwarpura and Sikkim manufacturing facilities and R & D Center

E. Offsetting:

- The Company has developed above 43% state-of-the-art green belt across all the manufacturing facilities PAN India to offset carbon emissions naturally.

More details on our GHG reduction projects are provided in 'Natural Capital section' of the Integrated Report.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste **(A)**	567.75	844
E-waste **(B)**	3.05	10.88
Bio-medical waste **(C)**	49.06	47.29
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	14.07	8.81
Radioactive waste **(F)**	0	0
Other Hazardous waste (Waste for landfill, Process Distillation Residues, Recyclable waste and Other waste for Incineration) **(G)**	3,208.48	3,387.97
Other Non-hazardous waste generated **(H)** (Solid waste)	1,841.86	2,326.07
Total (A + B + C + D + E + F + G + H)	**5,684.27**	**6,625.02**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.67 metric tons / crore	0.86 metric tons / crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	15.24 metric tons / crore	19.70 metric tons / crore
Waste intensity in terms of physical output	0.84 metric tons / metric ton	1.02 metric tons / metric ton
Waste intensity (optional) – the relevant metric may be selected by the entity		

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by world bank for India which is 22.88.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Plastic Waste		
(i) Recycled	567.75	268.00
Hazardous waste		
(i) Recycled	1,772.80	1,642.85
Non-hazardous waste		
(i) Recycled	1,841.86	2,326.07
Battery waste		
(i) Recycled	14.07	8.81
E-waste		
(i) Recycled	3.05	10.88
Total	**4,199.53**	**4,256.61**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Plastic Waste		
(i) Co-processing	0	576.00
Bio-medical waste		
(i) Incineration	49.06	47.29
Hazardous waste		
(i) Incineration	55.48	115.40
(ii) Landfilling	425.05	649.37
(iii) Co-processing	955.15	980.35
Total	**1,484.74**	**2,368.41**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Environment Audits were conducted by Nirma University at Indrad manufacturing facility, DD Institute of Technology, Nadiad at Dahej manufacturing facility and Aura Environmental Services at R&D Centre.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Torrent Pharma has standard operating procedures for handling waste and follows CPCB / SPCB regulations for the same. Hazardous waste and non-hazardous waste are segregated at source and stored at dedicated spaces in the manufacturing facilities. After a thorough sorting, hazardous and non-hazardous waste are handled separately. Hazardous waste is stored category wise in hazardous waste storage area, and it is then disposed to Pollution Control Board authorised disposal facility as per applicable regulation.

We have also established several processes as per green chemistry concept during process development phase to optimise toxic and hazardous chemicals. As of now, most of the hazardous waste is sent to co-processing and recycling instead of incineration and Landfilling.

Manufacturing Process are designed on lowest risk potential considering elimination of hazard potential for the plant and personnel.

More details on our waste management projects are provided in 'Natural Capital' section of the Integrated Report.

11. **If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sr No	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y / N) If no, the reasons thereof and corrective action taken, if any
The Company does not have any of its manufacturing facilities in ecologically sensitive areas.			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial year:**

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Result communicated in public domain (Yes / No)	Relevant web link
Not Applicable					

13. **Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y / N). If not, provide details of all such non-compliances in the following format:**

Sr No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is compliant with all the applicable laws / regulations / guidelines in India.				

LEADERSHIP INDICATORS

1. **Water withdrawal, consumption, and discharge in areas of water stress:**

(i) Name of the water stressed area: Indrad, Pithampur and Bileshwarpura manufacturing facilities and R&D Centre

(ii) Nature of operations: Manufacturing and R&D

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in Million m3)		
(i) Surface water	0.590	0.782
(ii) Groundwater	0.107	0.264
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Million m³)	**0.697**	**1.046**
Total volume of water consumption (in Million m³)	**0.697**	**0.950**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00008 million m³ / crore	0.00012 million m³ / crore
Water intensity (optional) – the relevant metric may be selected by the Entity		

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in Million m3)		
(i) **Into Surface water**		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) **Into Groundwater**		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) **Into Seawater**		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) **Sent to third parties**		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) **Others**		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in Million m³)	**0**	**0**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

No.

2. **Please provide details of total Scope 3 emissions & its intensity**

The Company is progressing year on year in emission monitoring. Going forward, we aim to conduct Scope 3 emission calculations across the value chain.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Torrent Pharma does not have any manufacturing facilities in ecologically sensitive areas.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Commissioned Briquette fired boiler	Commissioned the new boilers with bio fuel (Briquette / agro waste / bio mass) at Indrad, Dahej and Baddi manufacturing facilities.	Reduction in fossil fuel consumption by 38% and reducing environmental impact / carbon footprint (Scope 1) significantly by 39% compare to previous fiscal.
2	Commissioned Hybrid power generation Plant	Commissioned 2 wind mills of 2.7 MW each and 5 MW AC solar power plant at Kalavad, District Jamnagar, Gujarat.	During 2023-24, 21 Mn KWH green energy has been generated reducing the environmental impact / carbon footprint (Scope 2) significantly by 21.5% compare to previous fiscal.
3	Installation of Heat pump	Generation of hot water from waste heat instead of steam using heat pump installed at Dahej and Sikkim manufacturing facilities.	Saving of approx 7,000 tons steam per annum.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	Efficiency improvement in Zero Liquid Discharge ("ZLD"), system at Indrad manufacturing facility	Effluent load reduction and energy saving in ZLD system. 1) Reuse of Multiple Effect Evaporator (MEE) and Agitated Thin Film Dryer (ATFD) process condensate. 2) Change in method of treatment of softener regeneration and reuse of it. 3) Change in method of treatment of selected domestic effluent streams.	Saving of 1,000 tons of steam and 1 Lakh KWH energy
5	Improved operation and efficiency by latest technology and ideas in Utilities equipments (i.e HVAC, Chillers, AHU etc)	Energy efficiency improvement projects -- 1) Integrated Furnace Control (IFC) installed in HVAC at Sikkim manufacturing facility. 2) Switch off one Air Handling Unit (AHU) during winter and synchronisation of all DG sets at Baddi manufacturing facility. 3) VFD installed in AHU blower at Vizag manufacturing facility 4) Installed Flash Jet Pump (FJP) for recovering steam condensate at Dahej manufacturing facility	2.08 Lakh KWH energy saving per annum. 719 tons steam per annum
6	Installed energy efficient equipments	Efficient Lighting and energy management at Dahej and Pithampur manufacturing facilities and R&D Centre	Saving of 1 Lakh KWH energy per annum
7	Installation of Roof top Solar Power System of additional 50 KW at R & D and 20 KW at Sikkim manufacturing facility.	Installed Solar roof top renewable energy generation	Solar power generation of 0.7 Lakh KWH per annum.
8	Maintenance of power factor near to Unity	Operational efficiency of electrical system at various manufacturing facilities	Improved energy efficiency.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.**

   Yes. We have a Disaster Management Plan / Onsite Emergency Plan which includes introduction, definitions, details of the organisation, factory layout plan, objectives, process, process hazard and their control measures, various emergency scenarios, natural calamities and their control measures, Environment Impact Assessment Plan, Emergency Evacuation plan, Emergency declaration procedures, Plant safe shut down procedures and Organogram of Emergency action plan amongst other important things.

   The Company has also defined required responsibilities, Assembly Points, Medical Arrangements, MSDS, External Telephone numbers and Important Mutual aid Telephone Numbers for efficient functioning during any kind of emergency.

   Further, training is imparted to all employees and contract workers to respond during emergency / tackling any disastrous situations.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   No significant adverse impact has been observed during value chain assessments.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact**

   100% LLM sites have been assessed for environmental impacts during audit conducted as per predefined checklist.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Torrent Pharma, as a responsible Organisation actively participates and engage with various associations and Industry Chambers to help to facilitate the Government in developing regulations that are suited to and aligned with the needs of the industry and Country at large.

ESSENTIAL INDICATORS

1. a) **Number of affiliations with trade and industry chambers / associations.**

   The Company is associated with 6 trade and Industry chambers / associations.

   b) **List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

S.no	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Indian Pharmaceutical Alliance (IPA)	National
2	Indian Drug Manufacturing Association (IDMA)	National
3	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4	Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)	National
5	Gujarat Chamber of Commerce and Industry (GCCI)	State
6	The Advertising Standards Council of India (ASCI)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of Authority	Brief of the case	Corrective action taken
There were no adverse orders passed by regulatory authorities against the Company related to anti-competitive conduct.		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity**

   The Company does not have a separate policy on public advocacy. The Company takes an active role in industry associations and forums to enhance processes, regulatory frameworks, and product quality. Through advocating for industry needs, it plays a pivotal role in policy development, positioning itself as a leader within the industry. The objective is to collaborate with the government in crafting regulations that align with the economy's requirements.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

The philosophy of "**Think of others also when you think about yourself**," as articulated by our late Founder Chairman, Shri U.N. Mehta, serves as the guiding principle for the Company. It drives us to develop a comprehensive Corporate Social Responsibility (CSR) approach and framework, aimed at addressing the diverse developmental needs of society and fostering a more sustainable future for all.

At Torrent Pharma, we are committed to achieving profitable growth while also making a positive impact on our stakeholder ecosystem. Our organisational culture is deeply rooted in giving back to society, and we tirelessly strive to empower thriving communities by improving their quality of life and livelihoods. This commitment involves enhancing community engagement, increasing investment in community initiatives, and positively impacting a greater number of lives. Our focus areas include Community Healthcare, Sanitation and Hygiene, Education & Knowledge Enhancement and Social Care and Concern.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Result communicated in public domain (Yes / No)	Relevant web link
Company has not initiated any green field project in the financial year and hence no Social Impact Assessment was conducted					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community**

We are taking suitable and sufficient actions to address complaints received from stakeholders. We ensure timely follow up on closure of the issues to avoid reoccurrence of such complaints. Our Whistle blower Policy has specific clauses and a systematic operational procedure to act on stakeholder grievances. The Policy also outlines the reporting procedure and investigation mechanism to be followed.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

We consciously endeavour to source procurement of goods and services from medium and small vendors of the local areas, wherever feasible. It improves operational efficiency and saves on transportation costs and inventory management. We provide detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors.

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / Small producers	13%	17%
Directly from within India	92%	96%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24* (Current Financial Year)	FY 2022-23* (Previous Financial Year)
Rural	20%	22%
Semi-Urban	30%	31%
Urban	21%	20%
Metropolitan	29%	27%

* Excluding the employees of Representative offices of the Company

(Place to be categorised as per RBI Classification system – rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of Negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

The Company undertakes the CSR initiatives in the surrounding locations where it has its business presence. We have not undertaken any CSR projects in aspirational districts as per the 'Transformation of Aspirational Districts' programme of the Government. Hence, this question is not applicable to us.

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised / vulnerable groups? (Yes / No)**

(b) From which marginalised / vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Yes, we aim to procure our material locally wherever it is possible. The focus during the fiscal remained on local suppliers and local contractors. This has a dual benefit of promoting the local economy and reducing negative externalities associated with transportation of material. COVID-19 was quite unusual for global production and supply. It has made the aspects of alternate sourcing more significant than ever. We actively monitor supply chain continuity and focus on getting quality materials locally.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial year), based on traditional knowledge**

Sr. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit shared
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the Case	Corrective Action taken
Not Applicable		

6. **Details of beneficiaries of CSR Projects.**

Torrent Pharma, under the aegis of UNM Foundation, has undertaken CSR activities. The CSR activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. Driven by the belief of Chairman Emeritus, Sudhir Mehta ***'Children are the future of our nation and this future must be well preserved'***, the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of UNM Foundation, a section 8 company. REACH has three major pillars: (a) grass root interventions, (b) greenfield actions and (c) other allied initiatives. For further details on beneficiaries of our CSR projects, please refer to 'Social and Relationship Capital' section of Integrated Report.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

Torrent Pharma strives to deliver accessible, affordable and high quality medicines that improves patient's well being and quality of life. The Company being in the business of healthcare, the nature of its business requires the utmost attention to the quality of its product.

The Company has a robust Pharmacovigilance system in place, with all stakeholders having access to an adverse event / product complaint reporting form on the Company's website, as well as a dedicated phone line and a mailbox.

With increasing healthcare data every day, we are also committed to ensure that the data collected is appropriately managed to foster a culture of trust and transparency among patients and stakeholders while also adhering to rigorous data privacy and regulatory requirements.

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Torrent Pharma places great emphasis on the quality of its products. The Company treats customer complaints with utmost importance and has established a mechanism for addressing and redressal of customer complaints. It provides swift connection channels to all its customers, mainly healthcare professionals, patients, retailers, and others. We have both digital and offline mechanisms to receive feedback and address complaints.

Digital mechanisms include:

- Dedicated page on Company's website on adverse event reporting.
- Dedicated E-mail ID, **pv@torrentpharma.com**
- Dedicated customer care toll free number i.e., 1800-120-3001, which is available 24 x 7 for our customers.

Our channels receive feedback regarding customer satisfaction, product complaints and recalls, customer privacy, or any other issue pertaining to the consumer. With the goal of preventing any future customer complaints and continuously increase customer value, solutions are applied in a systematic manner and are given the utmost priority. Customers' feedback on the management and resolution of their complaints are also encouraged.

Furthermore, we have put in place a rigorous Pharmacovigilance system to ensure that prompt action is taken in the event of any adverse side effects from our medicines. We place very high value on quality and all our products are rigorously tested for safety and efficacy in clinical studies before being approved for use. Our goal is to offer high-quality medications with minimal side effects, and our pharmacovigilance system assists us in doing so. We collaborate with regulators to improve mechanisms for tracking the safety and benefit-risk profile of our medications throughout the product lifecycle.

For further details, please visit 'Intellectual Capital' section of Integrated Report.

2. **Turnover of products and / services as a percentage of turnover from all products / service that carry information about:**

	As a percentage to total turnover
Environment and Social parameters relevant to product	--
Safe and responsible usage	100%
Recycling and / or safe disposal	--

The Company complies with all the regulatory requirements in relation to the display of information on product label. The pharmaceutical industry is an extremely regulated sector when it comes to the marketing and labelling of the products, and thus we ensure responsible communication to all our customers.

3. **Number of consumer complaints**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber Security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Others (Product related complaints)*	1756	13		1539	3	

*One pending complaint pertaining to Curatio Health Care (I) Private Limited was transferred to the Company on account of its merger vide the Order dated 17th May, 2023 of the National Company Law Tribunal, Ahmedabad Bench, with an appointed date as 14th October, 2022.

4. **Details of instances of product recalls on account of safety issues**

	Number	Reason for recall
Voluntary recalls	9	Quality issue
Forced recalls	3	Regulatory authority initiative

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.**

Yes, we believe that keeping medical information secure and confidential helps to build trust in our users. Data breaches can directly hamper our reputation and operations. Therefore, we comply with the highest standards of data privacy through our privacy policy.

The policy is available to internal stakeholders and is placed on the intranet of the Company.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

The Company has taken following actions to avoid re-occurrence of instances of product recalls:

- Modified packaging configuration
- Reduce shelf life of product, where necessary
- Revised specification and analytical method, where necessary
- Procedure and process enhancement at vendor end

Further no Penalty / action has been taken by regulatory authorities against any of above stated recall.

7. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches**
   b. **Percentage of data breaches involving personally identifiable information of customers**
   c. **Impact if any, of the data breaches**

The Company has not witnessed any instances of data breaches during the year.

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

We have a weblink containing prescription information for medicines. The page can be accessed here: **https://www.torrentpharma.com/index.php/site/info/prescribing_info**

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.**

The Company adheres to relevant regulatory requirements by disclosing information to our stakeholders on the safe and responsible usage of our products. On every pharmaceutical product's primary pack, there are clear instructions depicting the active ingredients of the product, caution for consumption or usage, possible side effects and guidelines for storage / disposal. Further, we provide very specific disclaimers on all the medicines to ensure the usage only as per the direction of healthcare professionals.

Also, all the drug related information is available in detail on Company's website on Prescribing Information, which can be accessed here: **https://www.torrentpharma.com/index.php/site/info/prescribing_info**

3. **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**

The Company being in the pharma business, there are multiple other pharma Companies providing the similar products. Hence the discontinuation of any of the Company's products does not impact the communities at large.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes / No / Not Applicable)? If yes, provide details in brief.**

Yes, besides the mandatory information, the Company also displays the general information for patients in order to guide them with respect to usage on certain products. We adhere to the national and international standards for product safety.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes / No)

The marketing team of the Company regularly interacts with the Doctors and other Healthcare professionals and takes their feedback on the products.

Independent Practitioner's assurance report on Identified Sustainability Information in Torrent Pharmaceuticals Limited's Business Responsibility and Sustainability Report (BRSR) for FY 2023-24

To
The Board of Directors
Torrent Pharmaceuticals Limited
Ahmedabad, Gujarat, India

1. We have been engaged to perform assurance engagement for Torrent Pharmaceuticals Limited ('Torrent Pharma' or 'the Company') vide our engagement letter dated 12th April, 2024 to provide reasonable assurance on non-financial information pertaining to CORE attributes of BRSR ("BRSR Core Information") and limited assurance on non-financial information pertaining to identified attributes other than core attributes of BRSR ("other selected indicators of BRSR other than BRSR Core Information") (collectively referred as 'the Identified Sustainability Information') in accordance with the criteria stated below. This Identified Sustainability Information is as included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the year ended 31st March, 2024.

Identified Sustainability Information

2. The BRSR Core Information for the year ended 31st March, 2024, is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	• Total energy consumption (in Joules or multiples) and energy intensity • % of energy consumed from renewable sources • Energy intensity
Water footprint	Principle 6 – 3 and 4	• Total water consumption • Water consumption intensity • Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	• Details related to waste generated by the entity (category wise) • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations • For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
	Principle 3 – 11	Safety related incidents: • Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) • Total recordable work-related injuries • No. of fatalities • High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. The other selected indicators of BRSR other than BRSR Core Information for the year ended 31st March, 2024, is summarised below:

Section	Principle	Key Performance Indicator
A.I		Details of listed entity
A.II		Products / Services
A. IV (20,21 and 22)	-	• Employees and workers • Differently abled employees and workers • Participation / Inclusion / Representation of women • Turnover rate for permanent employees and workers
A.V		• Holding, Subsidiary and Associate Companies (including joint ventures)
A.VI		• CSR Details
A. VII (25)	-	• Number of Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:
B (1a, 1b, 1c and 4)		• Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs • Has the policy been approved by the Board? • Web Link of the policies, if available. • Name of the national and international codes / certifications / labels / standards
C	Principle 1 Essential Indicator 1	Percentage coverage by training and awareness programmes on any of the Principles.
	Principle 1 Essential Indicator 2	Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions
	Principle 1 Essential Indicator 5	Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption
	Principle 1 Essential Indicator 6	Details of complaints with regard to conflict of interest
	Principle 1 Leadership Indicator 1	Awareness programmes conducted for value chain partners on any of the Principles
	Principle 2 Essential Indicator 1	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity
	Principle 2 Leadership Indicator 3	Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry)
	Principle 2 Leadership Indicator 4	Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed
	Principle 2 Leadership Indicator 5	Reclaimed products and their packaging materials (as percentage of products sold) for each product category
	Principle 3 Essential Indicator 1(a) and 1(b)	• Details of measures for the well-being of employees • Details of measures for the well-being of workers
	Principle 3 Essential Indicator 2	Details of retirement benefits
	Principle 3 Essential Indicator 5	Return to work and Retention rates of permanent employees and workers that took parental leave.
	Principle 3 Essential Indicator 7	Membership of employees and worker in association(s) or Unions recognised by the listed entity
	Principle 3 Essential Indicator 8	Details of training given to employees and workers
	Principle 3 Essential Indicator 9	Details of performance and career development reviews of employees and worker
	Principle 3 Essential Indicator 13	Number of Complaints on the following made by employees and workers: • Working Conditions • Health & Safety
	Principle 3 Essential Indicator 14	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties) for: • Health & safety practices • Working conditions
	Principle 3 Leadership Indicator 3	Number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
	Principle 3 Leadership Indicator 5	Percentage of value chain partners (by value of business done with such partners) that were assessed for: • Health & safety practices • Working conditions

Section	Principle	Key Performance Indicator
	Principle 5 Essential Indicator 1	Employees and workers who have been provided training on human rights issues and policy(ies) of the entity
	Principle 5 Essential Indicator 2	Details of minimum wages paid to employees and workers
	Principle 5 Essential Indicator 3 (a)	Median remuneration / wages of respective category • Board of Directors (BoD) • Key Managerial Personnel • Employees other than BoD and KMP • Workers
	Principle 5 Essential Indicator 6	Number of Complaints on the following made by employees and workers, on: • Sexual Harassment • Discrimination at workplace • Child labour • Forced labour / Involuntary labour • Wages • Other human rights related issues
	Principle 5 Essential Indicator 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
	Principle 5 Essential Indicator 10	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties) for: • Child labour • Forced labour / Involuntary labour • Sexual Harassment • Discrimintaion at workplace • Wages • Others – please specify
	Principle 5 Leadership Indicator 4	Percentage of value chain partners (by value of business done with such partners) that were assessed for: • Sexual Harassment • Discrimination at workplace • Child labour • Forced labour / Involuntary labour • Wages • Others – please specify
	Principle 6 Essential Indicator 2	Sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.
	Principle 6 Essential Indicator 6	Details of air emissions (other than GHG emissions) by the entity
	Principle 6 Essential Indicator 11	Operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required
	Principle 6 Leadership Indicator 1	Water withdrawal, consumption and discharge in areas of water stress
	Principle 6 Leadership Indicator 7	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts
	Principle 7 Essential Indicator 1	• Number of affiliations with trade and industry chambers / associations • Top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.
	Principle 9 Essential Indicator 2	Turnover of products and / services as a percentage of turnover from all products / service that carry information about • Environmental and social parameters relevant to the product • Safe and responsible usage • Recycling and / or safe disposal
	Principle 9 Essential Indicator 3	Number of consumer complaints in respect of the following: • Data Privacy • Advertising • Cyber-security • Delivery of essential services • Restrictive trade practices • Unfair Trade Practices • Other

Section	Principle	Key Performance Indicator
	Principle 9 Essential Indicator 4	Details of instances of product recalls on account of safety issues
	Principle 9 Essential Indicator 5	Does the entity have a framework / policy on cyber security and risks related to data privacy?

4. Boundary of the report covers the Company's operations in India and overseas, which includes the following sites selected for data review and verification:

(i) Corporate Office, Ahmedabad

(ii) Branch Office, Mumbai

(iii) Branch Office, Delhi

(iv) Branch Office, Bangalore

(v) Branch Office, Kolkata

(vi) Branch Office, Chennai

(vii) Research & Development Centre, Ahmedabad

(viii) Manufacturing facility, Indrad

(ix) Manufacturing facility, Dahej

(x) Manufacturing facility, Baddi

(xi) Manufacturing facility, Pithampur

(xii) Manufacturing facilities (Unit I, II and III), Sikkim

(xiii) Manufacturing facility, Vishakhapatnam

(xiv) Manufacturing facility, Bileshwarpura

(xv) Project Site, Virochannagar

(xvi) Representative Office, Russia

(xvii) Representative Office, Vietnam

(xviii) Sales field Operations

5. Our assurance engagement is with respect to the year ended 31st March, 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and therefore, do not express any opinion thereon.

Criteria

6. The criteria used by the Company to prepare the Identified Sustainability Information for the year ended 31st March, 2024 is the BRSR Core – 'Framework for assurance and ESG disclosures for value chain' and BRSR format, issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') read with SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12th July, 2023 ("SEBI Circular") and the Guidance note for BRSR read with National Guidelines for Responsible Business Conduct issued by Ministry of Corporate Affairs ("BRSR Framework") (hereinafter referred to as 'Criteria').

Management's Responsibilities

7. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

8. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Auditor's Independence and Quality Control

9. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants' ('IESBA') and have the required competencies and experience to conduct this assurance engagement.

10. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

11. Our responsibility is to express a reasonable assurance in the form of an opinion on BRSR Core Information and express a limited level of assurance in the form of a conclusion on other selected indicators of BRSR other than BRSR Core Information, based on the procedures we have performed and evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the BRSR Core Information is prepared, in all material respects, in accordance with the Criteria and limited assurance about whether the other selected indicators of BSRS other than BRSR Core Information is free from material misstatement .

12. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the BRSR Core Information, assessing the risks of material misstatement of the BRSR Core Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the BRSR Core Information.

13. A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the other selected indicators of BRSR other than BRSR Core Information , identifying areas where material misstatement is likely to arise in the other selected indicators of BRSR other than BRSR Core Information whether due to fraud or error, designing and performing procedures to address identified risk areas as necessary in the circumstances and evaluating the overall presentation of the other selected indicators of BRSR other than Core Information.

    A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

14. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

15. Given the circumstances of the engagement, in performing the procedures listed above, we:
    - Physically visited the site at the corporate office and R&D centre at Ahmedabad and site visit at Indrad, Gujarat for data and document verification
    - Conducted desk reviews of the field operations, Russia representative office and manufacturing locations at Baddi and Pithampur
    - Carried out discussions at the corporate office and manufacturing facilities for data and document verification;
    - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
    - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
    - Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the Identified Sustainability Information.
    - Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
    - Re-performed calculations to check accuracy of claims,
    - Reviewed data from independent sources, wherever available,
    - Reviewed data, information about sustainability performance indicators and statements in the report.
    - Reviewed and verified information / data as per the BRSR framework;
    - Reviewed accuracy, transparency and completeness of the information / data provided;

16. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the other selected indicators of BRSR other than BRSR Core Information have been prepared, in all material respects, in accordance with the Criteria.

Exclusions:

17. Our assurance engagement scope excludes the following and therefore we do not express an opinion or conclusion on the same:
    - Any disclosure other than those mentioned in the Scope section above
    - Data and information outside the defined reporting period
    - Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
    - The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
    - Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.

    While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

    The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

18. Based on the procedures we have performed and the evidence we have obtained, the BRSR Core Information included in the BRSR for the year ended 31st March, 2024 is prepared in all material respects, in accordance with the Criteria.

Conclusion

19. Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management, nothing has come to our attention that causes us to believe that the other selected indicators of BRSR other than BRSR Core Information included in the BRSR for the year ended 31st March, 2024, is not prepared, in all material respects in accordance with the Criteria.

Restriction on use

20. Our assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, the Assurance Statement may not be suitable for any other purpose and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom the assurance report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi
Partner

Dated: 24th May, 2024
Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,
Noida – 201301,
Uttar Pradesh, India

REPORT ON CORPORATE GOVERNANCE

MAXIMUM GOVERNANCE – THE TORRENT WAY

At Torrent Pharma, we believe that strong governance framework plays a pivotal role in growing a sustainable and successful business and creating a long-term value for the Stakeholders. Our Corporate Governance practices are built on three inviolable principles of TRANSPARENCY, INTEGRITY (comprehensive all round disclosure plus financial controls) and ACCOUNTABILITY. This report sets out the governance systems and processes of the Company, as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, for the financial year ended 31st March, 2024. The Company is in full compliance with the Corporate Governance norms as stipulated in Listing Regulations.

The Company has a strong legacy of fair, transparent and ethical governance practice.

1. BOARD OF DIRECTORS

An empowered Board comprising of diverse group of experienced leaders brings rich experience, expertise, strategic directions and takes the Company forward on the path of sustainable progress. Your Company has a Leading Legal Professional, an Accounting Professionals, Entrepreneurs of leading Companies including from Healthcare, a Pharma Professional and an Accomplished Professional as Independent Directors. The Sharp entrepreneurial ability, a strong leadership and years of experience are represented in the rest of the Board. The Board of Directors (Board) comprises of eleven directors[1] as on 31st March, 2024. Out of total Board strength, eight are Non-Executive Directors (NEDs) (73% of Board strength) and seven are Independent Directors (IDs) (64% of the Board strength) including two Independent Women Directors.

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a complementary diversity of skills and experience across its members. The table below summarises the key qualifications, skills, expertise and competencies possessed by Directors of the Company:

Skills / Expertise / Competencies		Director who possess such skills / expertise / competencies
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.	Entire Board
Industry Experience	Experience and / or knowledge of the industry in which the Company operates.	Sudhir Mehta Samir Mehta Aman Mehta Ameera Shah Jinesh Shah Dr. Maurice Chagnaud
Financial Expertise	Qualification and / or experience in accounting and / or finance coupled with ability to analyze key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	Samir Mehta Shailesh Haribhakti Haigreve Khaitan Ameera Shah Nayantara Bali Dr. Maurice Chagnaud Manish Choksi Nikhil Khattau
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.	Entire Board
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.	Ameera Shah Nayantara Bali Dr. Maurice Chagnaud

An annual calendar of meetings is established after consulting all Directors to facilitate their presence and meaningful participation. It has been the Company's endeavour to have meetings at various plants / locations of the Company too, to get Directors to witness the practices and to get under the skin of the Company's business model.

1 Shailesh Haribhakti and Haigreve Khaitan have completed their tenure as Independent Directors of the Company on 31st March, 2024 and Sudhir Mehta has stepped down as Director of the Company effective 31st March, 2024.

During the financial year, the Board of the Company met five times on 02nd May, 2023, 30th May, 2023, 07th August, 2023, 23rd October, 2023 and 02nd February, 2024. 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 at the last Annual General Meeting (AGM) are as under:

Name & Designation of the Director	Category[1]	No. of Board Meetings held during the tenure	Board meetings attended	Attendance at the last AGM
Sudhir Mehta, Chairman Emeritus[2]	NED (Promoter)	5	5	Yes
Samir Mehta, Executive Chairman	Executive Chairman (Promoter)	5	5	Yes
Shailesh Haribhakti[3]	ID	5	5	Yes
Haigreve Khaitan[3]	ID	5	4	Yes
Ameera Shah	ID	5	4	No
Nayantara Bali	ID	5	5	Yes
Dr. Maurice Chagnaud	ID	5	5	Yes
Manish Choksi	ID	5	5	Yes
Nikhil Khattau[4]	ID	2	2	-
Jinesh Shah, Director (Operations)	WTD	5	5	Yes
Aman Mehta, Whole-time Director	WTD (Promoter)	5	5	Yes

Notes:

1. NED – Non-Executive Director (other than ID); ID – Independent Director; WTD – Whole-time Director.
2. Sudhir Mehta, Chairman Emeritus has stepped down as Director of the Company effective 31st March, 2024.
3. Shailesh Haribhakti and Haigreve Khaitan have completed their tenure as Independent Directors of the Company on 31st March, 2024, pursuant to which they ceased to be the Directors of the Company.
4. Nikhil Khattau was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years effective from 01st October, 2023.

Details of Directorships as on 31st March, 2024 and other related matters are as under:

Name & Designation of the Director	No. of other Directorship Held[1]		Name of the other listed entities where Directorship held & Category of Directorship	No. of other Board Committees of which Member / Chairperson[1]
	Listed Company	Other Company		
Sudhir Mehta, Chairman Emeritus[2]	1	-	1. Torrent Power Limited, Non-Executive Director (Promoter)	-
Samir Mehta, Executive Chairman	1	-	1. Torrent Power Limited, Executive Chairman (Promoter)	-
Shailesh Haribhakti[3]	5	4	1. Blue Star Limited, Non-Executive Chairman 2. L&T Finance Limited, Independent Director 3. Bajaj Electricals Limited, Independent Director 4. Adani Total Gas Limited, Independent Director 5. Protean E-Gov Technologies Limited, Non-Executive Chairman	4 (Chairperson) 9 (Member)

Name & Designation of the Director	No. of other Directorship Held[1]		Name of the other listed entities where Directorship held & Category of Directorship	No. of other Board Committees of which Member / Chairperson[1]
	Listed Company	Other Company		
Haigreve Khaitan[3]	5	1	1 Ceat Limited, Independent Director 2 JSW Steel Limited, Independent Director 3 Tech Mahindra Limited, Independent Director 4 Mahindra & Mahindra Limited, Independent Director 5 Borosil Renewables Limited, Independent Director	2 (Chairperson) 7 (Member)
Ameera Shah	2	2	1. Metropolis Healthcare Limited, Managing Director 2. ACC Limited, Independent Director	1 (Chairperson) 2 (Member)
Nayantara Bali	1	-	1. Marico Limited, Independent Director	-
Dr. Maurice Chagnaud	-	-	-	-
Manish Choksi	3	1	1. Asian Paints Limited, Non-Executive Director & Vice Chairman 2. Vedant Fashions Limited, Independent Director 3. Birlasoft Limited, Independent Director	4 (Member)
Nikhil Khattau	2	-	1. Marico Limited, Independent Director 2. Kaya Limited, Independent Director	4 (Chairperson) 4 (Member)
Jinesh Shah, Director (Operations)	-	-	-	-
Aman Mehta, Whole-time Director	-	-	-	-

Note:

1. These numbers exclude the Directorship / Committee Membership held in the Company and in private limited companies, foreign companies, 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 Regulation 26 of Listing Regulations, which were placed before the Board.
2. Sudhir Mehta, Chairman Emeritus has stepped down as Director of the Company effective 31st March, 2024
3. Shailesh Haribhakti and Haigreve Khaitan have completed their tenure as Independent Directors of the Company on 31st March, 2024.

Sudhir Mehta and Samir Mehta are related to each other as brothers. Aman Mehta is son of Samir Mehta. None of the other Directors are related to any other Director on the Board in terms of definition of 'relative' as per the Companies Act, 2013.

Shareholding of Non-Executive Directors:

Details of the equity shares held by Non-Executive Directors as on 31st March, 2024 are as under:

Name of the Director	Nos of Equity shares
Sudhir Mehta*	400
Shailesh Haribhakti**	20,950
Ameera Shah	1,865#

* stepped down as Director of the Company effective 31st March 2024.

**completed his tenure as an Independent Director of the Company on 31st March, 2024

holds 1500 shares & 365 shares as second holder jointly with Sushil Kanubhai Shah and Duru Sushil Shah respectively.

Shailesh Haribhakti and Haigreve Khaitan have completed their tenure as Independent Directors of the Company on 31st March, 2024. Sudhir Mehta has stepped down as Director of the Company effective 31st March, 2024. Jinesh Shah is liable to retire by rotation at the forthcoming Annual General Meeting. He has expressed his desire to step down as the Director of the Company and not getting re-appointed.

The Board has recommended the re-appointment of Samir Mehta as an Executive Chairman of the Company for the period of 5 years with effect from 01st April, 2025.

Based on the recommendation of Nomination and Remuneration Committee, the Board appointed Jinal Mehta as an Additional (Non-Executive Non-Independent) Director effective 24th May, 2024. The Board has recommended the appointment of Jinal Mehta as a Director to the Shareholders at the ensuing AGM.

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 Regulation 16(1)(b) of the Listing Regulations. These were placed before the Board. The Board, based on such declarations, has verified the veracity of such disclosures and confirmed that the IDs fulfil the conditions of Independence specified in the Listing Regulations and are independent of the management of the Company.

The IDs of the Company met on 02nd February, 2024 under the chairmanship of Shailesh Haribhakti without the presence of Non-Independent Directors to review the performance of Non-Independent Directors, the Board, Committees and the 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 have been placed on the website of the Company **www.torrentpharma.com**. The details of familiarisation programmes for Independent Directors have been provided in the Directors' Report and posted on the website of the Company and can be accessed at the web link **https://www.torrentpharma.com/pdf/cms/Familiarisation_Programme_2023-24.pdf**

During the year, all the recommendations of all the Committees were accepted by the Board.

The Company Secretary also acts as Secretary to all the Committees of the Board and provided secretarial support to the Committees.

2. AUDIT COMMITTEE

During the year under review, five meetings of the Audit Committee were held on 02nd May, 2023, 30th May, 2023, 07th August, 2023, 23rd October, 2023 and 02nd February, 2024. 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 of Director	Category of Directorship	Qualification	No. of meetings held during the tenure	No. of meetings attended
Shailesh Haribhakti, Chairman[1]	ID	F.C.A.	5	5
Haigreve Khaitan[2]	ID	LL. B.	5	4
Ameera Shah	ID	Degree in Finance (University of Texas)	5	4
Nayantara Bali	ID	Post Graduate Diploma in Business Management (IIM, Ahmedabad)	5	5
Dr. Maurice Chagnaud	ID	Doctor of Medicine and MBA (Marketing, Strategy, Finance and Administration) from IAE Aix- en-Provence, France. Strategic Finance Program (IMD, Lausanne, Switzerland)	5	5
Nikhil Khattau[3]	ID	Fellow of the Institute of Chartered Accountants in England and Wales and Bachelor's degree from University of Mumbai	2	2

1. Shailesh Haribhakti ceased to be Member and Chairman of the Committee due to completion of his term on the Board on 31st March, 2024.
2. Haigreve Khaitan ceased to be Member of the Committee due to completion of his term on the Board on 31st March, 2024.
3. Nikhil Khattau was appointed as the Member of the Committee with effect from 14th October, 2023 and as Chairman of the Committee with effect from 24th May, 2024.

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

The Committee meetings are attended by the Chief Financial Officer and Vice President (Finance). The Statutory Auditors, Internal Auditors, Cost Auditors and other related functional executives of the Company also attended the meeting when required.

The Committee holds meetings with Statutory Auditors and Internal Auditors on one to one basis as and when it deems fit and had ascertained that they didn't have any unexpressed concerns.

The total fees for all services paid by the Company and its subsidiaries to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, amounts to ₹ 2.34 crores for the year 2023-24.

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. To examine the financial statement and the auditors' report thereon.

iii. 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;
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. Modified opinion(s) in the draft audit report.

iv. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

v. 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 utilised 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 public issue or rights issue or preferential issue or qualified institutional placement and making appropriate recommendations to the Board to take steps in this matter.

vi. To review the utilisation of loans and / or advances from / investment by the Company in the Subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

vii. To review the following details mandatorily:

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 relating to internal control weaknesses.

E. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

F. Statement of deviations:

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.

b) Annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of Listing Regulations.

viii. To review the financial statements of unlisted subsidiary companies, and in particular, the investments made by them.

2. Internal Controls And Policies for Maintaining Vigil

i. Scrutiny of inter-corporate loans and investments.

ii. Valuation of undertakings 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 the 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 (Vigil) mechanism.

vii. To approve the appointment of Chief Financial Officer (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 activity within its terms of reference and any matters referred to it by the Board.

ix. To review the frauds reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors, if any.

x. Monitoring the end use of funds raised through public offers and related matters.

xi. Reviewing with the Auditors and Management, if required, about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and any related issues there with.

xii. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

3. Relationship with Statutory, Internal & Cost Auditors

i. Recommend to the Board for appointment, remuneration and terms of appointment of 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, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

vi. Discussion with Internal Auditors of any significant findings and follow up there on.

vii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.

4. Related Party Transactions

i. Approval or any subsequent modification of transactions of the Company with related parties.

ii. To lay down the criteria for granting the omnibus approval in line with the policy on related party transactions.

iii. To review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

The Committee has full access to information and records of the Company and can seek information from any employee of the Company and may invite such executives, as it considers appropriate, to be present at the meetings of Committee. The Committee may access external professionals and obtain legal advice, if so required, and secure attendance of outsiders with relevant expertise, if it considers necessary, in discharge of its functions.

In addition to the above, the Committee shall have such functions / role / powers as may be specified in the terms of reference of the Audit Committee under applicable laws or as required by any statute.

3. RISK MANAGEMENT COMMITTEE

The principal terms of reference of the Risk Management Committee as approved by the Board are as under:

1. Formulation of a detailed risk management policy and recommending the same to the Board which shall include:

    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee

    b. Measures for risk mitigation including systems and processes for internal control of identified risks.

    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks including cyber security risk associated with the business of the Company.

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

During the year under review, two meetings of the Committee were held on 30th May, 2023 and 23rd October, 2023.

The composition of the Committee as well as the particulars of attendance at the Committee meetings held 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
Haigreve Khaitan, Chairman[1]	ID	2	2
Shailesh Haribhakti[2]	ID	2	2
Nayantara Bali	ID	2	2
Dr. Maurice Chagnaud	ID	2	2
Nikhil Khattau[3]	ID	1	1
Sudhir Menon	CFO	2	2

1. Haigreve Khaitan ceased to be the Member and Chairman of the Committee due to completion of his term on the Board on 31st March, 2024.
2. Shailesh Haribhakti ceased to the Member of the Committee due to completion of his term on the Board on 31st March, 2024.
3. Nikhil Khattau was appointed as the Member of the Committee with effect from 14th October, 2023 and as a Chairman of the Committee with effect from 02nd April, 2024.

4. SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The Securities Transfer & Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

The composition of the Committee as well as the particulars of attendance at the Committee meeting held during the year on 30th May, 2023 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
Haigreve Khaitan, Chairman[1]	ID	1	1
Shailesh Haribhakti[2]	ID	-	-
Ameera Shah[3]	ID	1	1
Nikhil Khattau[4]	ID	-	-
Aman Mehta[5]	WTD	1	0

1. Haigreve Khaitan ceased to be the Member and Chairman of the Committee due to completion of his term on the Board on 31st March, 2024.
2. Shailesh Haribhakti stepped down as the Member of the Committee with effect from 10th May, 2023.
3. Ameera Shah was selected as the Chairperson of the Committee on 24th May, 2024.
4. Nikhil Khattau was appointed as the Member of the Committee with effect from 14th October, 2023.
5. Aman Mehta was appointed as the Member of the Committee with effect from 24th May, 2023.

The Committee passed various circular resolutions for issuance of duplicate share certificates and other routine matters. Chintan Trivedi, Company Secretary is designated as the Compliance Officer.

99.82% of the equity shares of the Company are held in dematerialised form.

Pursuant to Section 124 of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company had transferred 15,616 equity shares to the demat account of Investor Education and Protection Fund (IEPF) Authority during the year 2023-24. As on 31st March, 2024, 3,67,028 equity shares are lying with IEPF Authority.

During the year, the Company has received 17 (seventeen) complaints from shareholders which were attended within a reasonable period of time. 1 (One) complaint pending as on 31st March, 2023 was resolved during the year. No complaint was pending as on 31st March, 2024.

5. 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, two meetings of the Committee were held on 30th May, 2023 and 07th August, 2023.

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
Shailesh Haribhakti, Chairman[1]	ID	2	2
Haigreve Khaitan[2]	ID	2	2
Nayantara Bali	ID	2	2
Ameera Shah[3]	ID	-	-
Manish Choksi[4]	ID	-	-

1. Shailesh Haribhakti ceased to be the Member and Chairman of the Committee due to completion of his term on the Board on 31st March, 2024
2. Haigreve Khaitan ceased to be the Member of the Committee due to completion of his term on the Board on 31st March, 2024.
3. Ameera Shah was appointed as the Member of the Committee with effect from 14th October, 2023.
4. Manish Choksi was appointed as the Member of the Committee with effect from 14th October, 2023 and as Chairman of the Committee with effect from 24th May, 2024

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 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, recommend to the Board their appointment and removal.
3. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
4. To specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.
5. To evaluate the balance of skills, knowledge and experience on the Board for every appointment of an Independent Director and on the basis of such evaluation prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description.
6. For the purpose of identifying suitable candidates for appointment as Independent Directors, the Committee may use the services of an external agencies, if required; consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.
7. Devising a Policy on Board Diversity.
8. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
9. To recommend a Policy to the Board relating to the remuneration for the Directors, KMP and other employees, for its approval.
10. 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 CEO / MD / WTD / Manager (including CEO / Manager, not part of the board) and shall specifically include the functional heads, by whatever name called and CS and CFO.
11. To recommend to the Board remuneration proposed to be paid, to Executive Directors, Non-executive Directors (other than Independent Directors), Whole-time Key Managerial Personnel and Senior Management, with proper justification for such remuneration.
12. To seek information from management and have full access to the Company's records relevant to it's functioning in discharge of its obligations.
13. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.
14. To note information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
15. 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.

    On the recommendation of the Nomination and Remuneration Committee, the Board has, inter alia, approved the following evaluation criteria for the Independent Directors:
    - Participation in Board in terms of adequacy (time & content);
    - Contribution at meetings;
    - Guidance / support to Management outside Board / Committee meetings;
    - Fulfilment of functions;
    - Independent views and judgement.

Senior Management

Details of Senior Management Personnel(s) as on 31st March, 2024 are as follows:

Sr. No.	Name	Designation
1	Amal Kelshikar	Executive Director (Consumer Health)
2	Hasmukh Patel	Executive Director (Operations)
3	Sunil Nadkarni	Executive Director (Product Development)
4	Sushil Jaiswal	Executive Director (Quality)
5	Sudhir Menon	Executive Director (Finance) & CFO
6	Chintan Trivedi	Company Secretary

During the year, Hitesh Maheshwari, Executive Director (Product Development), had tendered his resignation effective from 30th September, 2023 and Ashok Modi, Executive Director (Procurement) superannuated from the services of the Company effective 29th February, 2024.

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 endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivise 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 forms a part of the Director's Report.

Appointment and Remuneration of Executive Chairman / Whole-time Directors

The re-appointment and remuneration of Samir Mehta as Executive Chairman of the Company was decided by the Board and approved by the shareholders through Postal Ballot on 07th March, 2020. The appointment is for a period of five years effective from 01st April, 2020 till 31st March, 2025 subject to provisions contained in Regulation 17(1B) of the Listing Regulations, as amended from time to time. Samir Mehta has been re-appointed as an Executive Chairman of the Company for the period of 5 years with effect from 01st April, 2025 subject to approval of the Shareholders.

Jinesh Shah was appointed as Director (Operations) of the Company for the period of 5 (five) years effective from 01st August, 2019. The shareholders through Postal Ballot approved the said appointment, along with remuneration, on 07th March, 2020. Jinesh Shah is liable to retire by rotation at the forthcoming AGM. He has expressed his desire to step down as the Director of the Company and not getting re-appointed.

Aman Mehta was appointed as Whole Time Director of the Company for the period of 5 (five) years effective from 01st August, 2022. The shareholders through Postal Ballot approved the said appointment, along with remuneration, on 09th September, 2022.

Remuneration of Non-Executive Directors including Independent Directors

1. The shareholders at the AGM held on 23rd July, 2019 approved the payment of commission to the Non-Executive Directors (NEDs), in accordance with and upto the limit laid down under the provisions of the Companies Act, 2013 for the period of 5 (five) years commencing from 01st April, 2020 and authorised the Board of Directors or any Committee of the Board, specifically authorised for the purpose, to decide the actual amount of commission for each year. The commission is determined based on the participation of the directors in the meetings of the Board and / or Committees thereof, as well as on industry practice, performance of the Company and contribution by the Directors, etc. Further, the Board has approved the payment of sitting fees at the rate of ₹ 1 lakh per meeting to the IDs for each Board and Committee meeting attended by them.
2. 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, subject to such approval as may be necessary.
3. The commission for any financial year shall be paid on its approval by the Board.

Details of remuneration of Directors for the year ended 31st March, 2024 are as under:

(₹ in lakhs)

Name & Designation of Director$	Salary & Perquisites	Commission##	Sitting Fees++	Total
Sudhir Mehta, Chairman Emeritus^	Nil	Nil	Nil	Nil
Samir Mehta, Executive Chairman	0.40**	2600.00	Nil	2600.40
Shailesh Haribhakti	Nil	50.00	17.00	67.00
Haigreve Khaitan	Nil	40.00	14.00	54.00
Ameera Shah	Nil	40.00	9.00	49.00
Nayantara Bali	Nil	50.00	17.00	67.00
Dr. Maurice Chagnaud	Nil	50.00	13.00	63.00
Manish Choksi	Nil	35.00	8.00	43.00
Nikhil Khattau	Nil	20.00	6.00	26.00
Jinesh Shah, Director (Operations)	771.59#**	Nil	Nil	771.59
Aman Mehta, Whole time Director	658.84#**	Nil	Nil	658.84
Total	**1,430.83**	**2,885.00**	**84.00**	**4,399.83**

Notes:

$ The terms of appointment of Executive Chairman / Whole-time Director are governed by the resolutions of the shareholders and applicable rules of the Company.

^ Sudhir Mehta though eligible for Commission, waived his right to receive the same.

Includes house rent allowance, contribution to provident fund & value of perquisites provided.

Commission as approved by the Board pursuant to the shareholders' approval within the 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.

Khaitan & Co. and Khaitan & Co. LLP., the law firms in which Haigreve Khaitan, an Independent Director, is a partner, were paid ₹ 2.11 crores as professional fees for legal services provided during the year. Mac Healthcare Consulting AG, in which Dr. Maurice Chagnaud, an Independent Director is founder & CEO, were paid ₹ 0.18 crores as professional fees for advisory services provided during the year. Apart from above, there were no other pecuniary relationships / transactions with the Independent Directors vis-à-vis the Company.

During the year, the Company and its subsidiaries has not provided any loans and advances in the nature of loans to any firms / companies in which directors are interested.

6. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility and Sustainability Committee, inter alia, 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, two meetings of the Committee were held on 30th May, 2023 and 23rd October, 2023.

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
Nayantara Bali, Chairperson	ID	2	2
Shailesh Haribhakti[1]	ID	2	2
Manish Choksi	ID	2	2
Jinesh Shah	WTD	2	2

Note:

1. Shailesh Haribhakti ceased to be the Member of the Committee due to completion of his term on the Board on 31st March, 2024.

7. GENERAL BODY MEETINGS

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

AGM	Date	Time	Venue	No. of special resolutions passed
48th AGM	27th July, 2021	09:30 AM	Meeting conducted through VC / OAVM	4
49th AGM	29th July, 2022	09:30 AM		1
50th AGM	07th August, 2023	09:30 AM		3

During the year, the Company sought approval from the Shareholders through Postal Ballot as detailed below:

Date of Notice: 23rd October, 2023

Date of declaration of Results: 27th November, 2023

Resolution approved: Ordinary resolution for Appointment of Shaan Mehta, a relative of Directors as an Executive of the Company, passed with 88.42% votes cast in favour.

Rajesh Parekh, Proprietor, Rajesh Parekh & Co., Practicing Company Secretary, was appointed as a Scrutiniser and has conducted the postal ballot for the aforesaid proposal.

The procedure prescribed under Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and the guidelines prescribed by MCA Circulars were duly followed for conducting the postal ballot process for approving the above mentioned resolution.

Aforesaid resolution was passed by the shareholders by overwhelming and requisite majority.

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

8. DISCLOSURES

a. Legal Compliances

The Company follows a formal management policy and system of legal compliance and 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 Code of Business Conduct ("Code") lays down important corporate ethical practices that shape the Company's value system and business functions and represents cherished values of the Company. The Code provides guidance to employees in recognising and dealing with important ethical and legal issues and fosters a culture of honesty and accountability. The Code of Conduct includes Integrity, Gifts, Conflict of Interest, Legal compliance, Respect for people, Environmental commitment, Safety, Confidential & Proprietary Information, Financial Information, Company assets, Computer Network use & Security, Records maintenance and Management.

The Code 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 for the effective period. The declaration by the Executive Chairman to that effect forms part of this report as Annexure 1.

c. Prevention of Insider Trading

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ("Insider Trading Code") is aimed to prevent any insider trading and applicable to all the designated persons who are expected to have access to the unpublished price sensitive information relating to the Company. The Company lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company. The Company has also adopted the Policy for determination of legitimate purposes which forms part of Fair Disclosure Code. The Company conducted the quiz for the employees covered under the Designated Persons and also sends the advisory mails on regular basis to reinstate the basic understanding of the provisions of Insider Trading Code / SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Audit Committee reviews cases of non-compliances, if any and the said non – compliances are promptly intimated to the Stock Exchanges in the prescribed format.

d. Related Party Transactions

Pursuant to Regulation 23 of the Listing Regulations and applicable provisions of the Companies Act, 2013, the Company has formulated Policy on Materiality of and dealing with Related Party Transactions ("Related Party Transactions Policy") for dealing with related party transactions. All the related party transactions are entered in compliance to the provisions of the law and the Related Party Transactions Policy. The Related Party Transactions Policy has been revised w.e.f. 24th May, 2024 to align it with the good governance practices and to bring in more clarity. A copy of the Related Party Transactions Policy for dealing with related party transactions is available on the website **http://torrentpharma.com/pdf/investors/Related_Party_Transactions_Policy.pdf**

The Company has also formulated Policy on Determining Material Subsidiaries as required under Listing Regulations. A copy of this policy is available on the website **http://torrentpharma.com/pdf/investors/Policy_for_determining_Material_Subsidiaries.pdf**

All the related party transactions are duly approved by Audit Committee / Board as required under the provisions of the Companies Act, 2013 and Listing Regulations as well as the Related Party Transactions Policy of the Company. During the year, the Company did not enter into any transaction with related parties which were material in nature as defined in the Listing Regulations. Please refer to Note 41 of Standalone Financial Statements, forming part of the Annual Report for details of the related party transactions during the year.

e. 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 Regulation 17(8) of the Listing Regulations. The Executive Chairman and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

f. Reconciliation of Share Capital Audit

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (collectively Depositories) and held in physical form, with the total issued and listed capital. The Certificate confirming the same is submitted to BSE Limited and the National Stock Exchange of India Limited on a quarterly basis and is also placed before the Board of Directors.

g. Certificate from Company Secretary in Practice regarding appointment and continuation of directors

The Company has obtained the Certificate from the Practising Company Secretary certifying that none of the directors of the Company are debarred or disqualified from being appointed or continuing as directors of Company by SEBI / MCA or any such authority.

h. Details of unclaimed shares as per Listing Regulations

In terms of Regulation 39(4) of the Listing Regulations, the Company reports the following details in respect of equity shares transferred from the "Torrent Pharmaceuticals Limited – Unclaimed Suspense Account" during the year and the balance in the same at the beginning and at the end of the year:

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. 01st April, 2023	10	6,960
Number of shareholders who approached the Company / Registrars and Transfer Agents (RTA) for transfer of shares from unclaimed suspense account during the year ended 31st March, 2024	1	800
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31st March, 2024	1	800
Number of shares transferred to IEPF authority from Unclaimed Suspense Account during the year ended 31st March, 2024	-*	400
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year i.e. as on 31st March, 2024	9	5,760

*There is no change in the number of shareholders whose shares have been transferred from Unclaimed Suspense Account to IEPF authority as the same shareholder continue to appear in the Unclaimed Suspense Account on account of Bonus Shares which are still lying in Unclaimed Suspense Account.

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

i. Disclosure of certain types of agreements binding listed entities

No agreements have been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

j. Whistle Blower Policy

The Company has implemented a Whistle Blower Policy to create consistent value propositions to all stakeholders. The Code of Business Conduct ("the Code") lays down the important corporate ethical practices that shape the Company's business practices and represents the ever cherished value of the Company. The Whistle Blower Policy helps in ensuring that the Code is followed by one and all in the organisation. Employees are sensitised to practice highest level of honesty, integrity and ethical behavior in all of its operations. Through this policy, the Company encourages employees, stakeholders, shareholders and directors to report any instance of unethical conduct, actual or suspected fraud or violations of the Company's Code that could adversely affect Company's operations, business performance and / or reputation.

In accordance with this Whistle Blower Policy, the Company conducts an impartial investigation when any of the above incidents are reported and appropriate action is taken to ensure required standards of professional and ethical conduct are met. Employees who report such incidents to the Company are suitably protected. The investigation results are communicated to all those involved and a written report of the results is drawn up. The Audit Committee (AC) reviews the operation of the Company's whistle blower mechanism on a quarterly basis. The Policy can be viewed on the Company's website at **www.torrentpharma.com**

The policy also sets out the reporting and investigation procedures to be followed. All protected disclosures must be reported using the contact information provided in the Policy, with the additional reporting of financial matters using the contact information of the Company's Chief Financial Officer (CFO). If the protected disclosures involve the CFO, CEO, or any other Director of the Company, the relevant disclosures must be made directly to the Chair of the AC. Phone calls, emails, and letters can all be used as modes of communication to make protected disclosures.

No person has been denied access to the Chairman of the AC.

k. Commodity price risk and hedging activities

The Company purchases Active Pharmaceutical Ingredient (API) and other materials that are used in the manufacturing of drugs. The prices of raw material generally fluctuate in line with commodity cycles over short period of time.

Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company also has Risk Management framework to pro-actively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalisation, renegotiating procurement contracts etc. Additionally, the Company also develops on an ongoing basis alternate supply sources for key products subject to economic justification. Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. The Company does not use any derivative contracts to hedge exposure to fluctuations in commodity prices.

l. Policy on Protection of Women against Sexual Harassment at Workplace

In order to ensure a safe and harassment-free workplace for its women employees, the Company has implemented a Policy on the Protection of Women against Sexual Harassment at Workplace. This policy encourages women employees to pursue their careers without fear of prejudice, gender bias, sexual harassment and / or other implicit or explicit orientations. In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, Complaints Resolution Committees are established at administrative units / offices for this purpose.

In 2023-24 there were no complaints of Sexual Harassment registered in the Company.

m. Details of material subsidiaries of the Company:

The Company has one Material Subsidiary i.e. Torrent Pharma Inc. incorporated on 13th January, 2004 under the laws of State of Delaware at United States. BSR & Co. LLP, Chartered Accountants have been appointed as Statutory Auditors of Torrent Pharma Inc. from the FY 2015-16.

n. Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by Listing Regulations including those specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

The non-mandatory requirements complied with are disclosed below:

Audit Qualification: The Company's financial statements for the year 2023-24 do not contain any modified audit opinion.

Reporting of Internal Auditors: The Internal Auditors present their internal audit observations quarterly to the Audit Committee.

9. COMMUNICATION TO SHAREHOLDERS

During the year, audited quarterly and 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 / annual results and presentations made by the Company to investors / analysts were also made available on the Company's website. The Company sends soft copies of Annual Report to those shareholders whose e-mail ids are registered with the Depository Participants 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" of the Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION

a. 51st AGM

Date & Time	Tuesday, 23rd July, 2024 at 09:30 AM
Venue	The Company is going to conduct the meeting through VC / OAVM pursuant to the MCA circular dated 05th May, 2020 read with MCA circular dated 25th September, 2023 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

b. Tentative Financial Calendar for the year 2024-25

Financial year	01st April to 31st March
First Quarter results	Fourth week of July 2024
Half Yearly results	Fourth week of October 2024
Third Quarter results	Fourth week of January 2025
Results for year-end	Second week of May 2025

c. Record date

21st June, 2024

d. Dividend payment date

The proposed dividend, if approved at the ensuing AGM will be distributed around 31st July, 2024.

e. Listing on Stock Exchanges and Security Codes

Name of Stock Exchange	Security Code
A. Equity shares	
BSE Limited, (BSE) 01st Floor, New Trading Ring, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	500420
National Stock Exchange of India Limited, Mumbai (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051	TORNTPHARM
B. Non-Convertible Debentures	
National Stock Exchange of India Limited, Mumbai (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051	

The Company has paid the annual listing fees for the year 2024-25 to both the above stock exchanges.

f. Market Price Data

The closing market price of equity share on 28th March, 2024 (last trading day of the year) was ₹ 2,601.15 on BSE & ₹ 2,600.60 on NSE.

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

Monthly Share Price movement during the financial year ended 31st March, 2024 at BSE & NSE:

(share price in ₹)

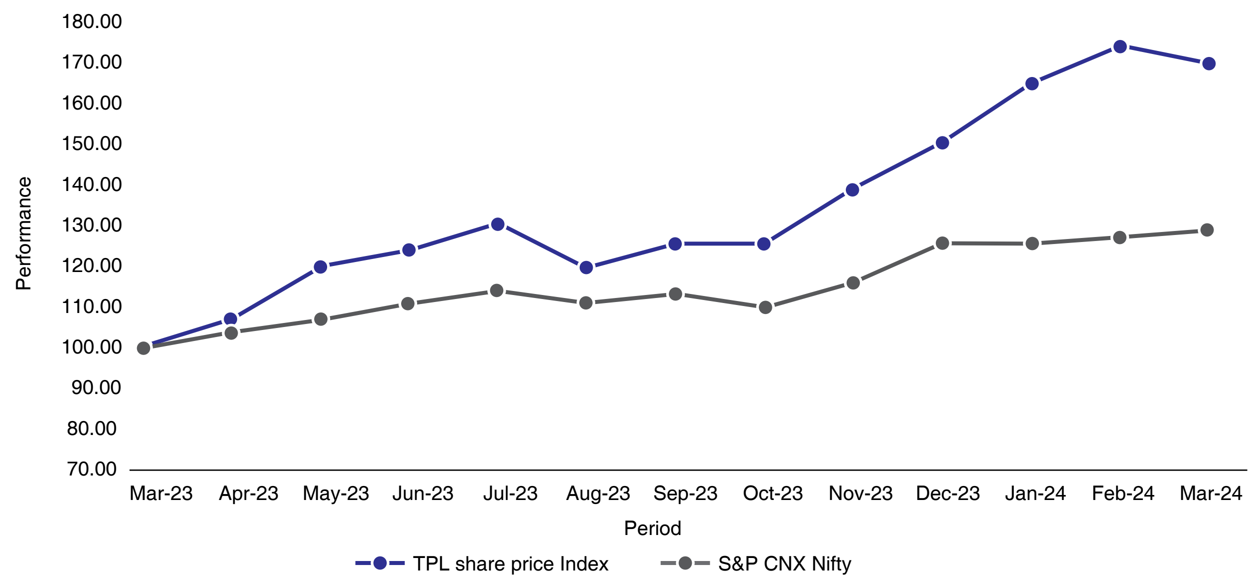
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-23	1,660.00	1,524.05	76,944	1,660.00	1,524.35	57,22,826
May-23	1,886.25	1,599.00	3,11,420	1,884.90	1,598.45	1,07,07,099
Jun-23	1,981.50	1,761.45	1,79,731	1,984.25	1,763.90	81,61,485
Jul-23	2,036.15	1,862.15	72,281	2,036.50	1,862.70	50,64,343
Aug-23	2,099.95	1,837.50	1,97,500	2,094.55	1,837.75	87,24,668
Sep-23	1,936.75	1,771.35	2,51,243	1,945.00	1,772.05	1,27,44,960
Oct-23	1,952.95	1,822.80	1,31,879	1,954.05	1,822.55	76,61,376
Nov-23	2,169.15	1,912.50	88,364	2,145.00	1,913.35	53,81,622
Dec-23	2,309.90	2,025.00	1,59,804	2,310.15	2,025.70	64,33,573
Jan-24	2,553.00	2,270.15	6,40,272	2,551.80	2,288.70	53,70,697
Feb-24	2,699.95	2,481.15	77,618	2,700.00	2,480.65	45,26,656
Mar-24	2,745.55	2,488.00	99,528	2,744.00	2,487.80	60,54,737
Total			**22,86,584**			**8,65,54,042**
% of volume traded to outstanding shares			**0.68%**			**25.57%**

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-23	1,537.15	17,359.75	100.00	100.00
Apr-23	1,652.30	18,065.00	107.49	104.06
May-23	1,835.80	18,534.40	119.43	106.77
Jun-23	1,904.95	19,189.05	123.93	110.54
Jul-23	2,002.85	19,753.80	130.30	113.79
Aug-23	1,842.50	19,253.80	119.86	110.91
Sep-23	1,929.10	19,638.30	125.50	113.13
Oct-23	1,924.25	19,079.60	125.18	109.91
Nov-23	2,126.55	20,133.15	138.34	115.98
Dec-23	2,305.55	21,731.40	149.99	125.18
Jan-24	2,531.10	21,725.70	164.66	125.15
Feb-24	2,666.10	21,982.80	173.44	126.63
Mar-24	2,600.60	22,326.90	169.18	128.61

** data as on closing of the month

Relative performance of TPL share price vs. S&P CNX Nifty



g. Distribution of shareholding as at 31st March, 2024

By size of shareholding:

Category (Shares)	Mode of Holding	No. of Shares	% To Equity	No. of Holders	% To Holders
1 - 1,000	Electronic	6,185,734	1.83	69,658	94.10
	Physical	111,244	0.04	349	0.47
1,001 - 2,000	Electronic	3,293,807	0.97	2,177	2.94
	Physical	381,120	0.11	240	0.32
2,001 - 10,000	Electronic	4,079,094	1.21	959	1.30
	Physical	62,400	0.02	19	0.03
10,001 - 20,000	Electronic	2,558,839	0.76	178	0.24
	Physical	43,200	0.01	3	0.01
Above 20,000	Electronic	321,730,002	95.05	440	0.59
	Physical	--	--	--	--
Total	**Electronic**	337,847,476	99.82	73,412	99.17
	Physical	597,964	0.18	611	0.83
	Total	**338,445,440**	**100.00**	**74,023**	**100.00**

By category of shareholders:

Category	No. of Shares		Total Shares	% of Holding
	Electronic	Physical		
Promoter's Group	241,129,440	--	241,129,440	71.25
Mutual Fund	15,108,582	--	15,108,582	4.46
Bank, FIs, AIFs & Insurance Companies	6,841,775	--	6,841,775	2.02
Foreign Institutional Investors / NRIs	48,433,382	--	48,433,382	14.31
Bodies Corporate	1,287,120	4,800	1,291,920	0.38
Indian Public	17,977,185	593,164	18,570,349	5.49
Others	6,702,964	--	6,702,964	1.98
IEPF	367,028	--	367,028	0.11
Total	**337,847,476**	**597,964**	**338,445,440**	**100.00**

h. Dematerialisation of securities

The equity shares of the Company are traded compulsorily in the dematerialised segment of BSE Limited and National Stock Exchange of India Limited and are under rolling settlement. Approximately 99.82% 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

SEBI vide its circular dated 25th January 2022, has mandated that listed companies shall issue the securities in dematerialised form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the link at **https://www.torrentpharma.com/index.php/investors/shareHolder**. The details of transmission, name change or name deletion approved by the delegates are noted by the Securities Transfer and Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice an annual certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations 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 electronic mode need not be approved by the Company.

j. Request for Updation of PAN, KYC & Nomination details:

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC, Bank details and Nomination / Opt-out of Nomination details before getting any investor service request processed. Security holders holding securities in physical form, whose folio(s) do not have PAN, KYC, Bank details or Nomination / Opt-out of Nomination, shall be eligible for dividend in respect of such folios, only through electronic mode with effect from 01st April, 2024. Members may refer to the FAQs provided by SEBI in this regard, for investor awareness, on its website at **https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf**.

Members who are yet to update details in their physical folios are, therefore, urged to furnish PAN, KYC, Bank details and Nomination / Opt-out of Nomination by submitting the prescribed forms duly filled, to the RTA by email from their registered email id to **einward.ris@kfintech.com** or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to M/s. KFin Technologies Limited at Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500 032.

In accordance with the SEBI circular dated 16th March, 2023, the Company will be sending out intimations to those Members, holding shares in physical form, whose PAN, KYC, Bank detals and / or Nomination details are not updated, requesting them to update the details. Attention of the Members holding shares of the Company in physical form is invited to go through the said important communication under the web link at **https://www.torrentpharma.com/index.php/investors/shareHolder**.

k. Credit Ratings

Details of all credit ratings obtained by the Company for its borrowings including debt instruments are as follows:

ICRA Ltd has assigned credit rating of -

- [ICRA] AA+ (Stable) for banking facilities and non-convertible debentures.
- [ICRA] A1+ for commercial paper programme of the Company.

India Ratings and Research Private Limited ("India Ratings") has assigned rating of -

- IND AA+ (Stable) for Non-convertible debentures and term loans.

There has been no change in the Credit ratings during the year.

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

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

m. Registered Office

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

Phone: + 91 79 26599000

Fax: + 91 79 26582100

n. 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-10, East District, Gangtok (Sikkim) – Unit I & Unit II
4. NH-10, Bagheykhola Village, Majhitar, Rangpo, East Sikkim (Sikkim) – Unit III
5. Plot No 810, Sector III, Industrial area, Pithampur, Dist - Dhar (Madhya Pradesh)
6. Plot No.77 & 78, J N Pharma City, Thanam Village, Parawada-Mandal, Vizag (Andhra Pradesh)
7. Plot No. Z104-106, Dahej SEZ Phase II, Taluka Vagra, Dist. Bharuch (Gujarat)
8. Bileshwarpura, Taluka Kalol, District Gandhinagar (Gujarat).

o. Project Site

1. DTPS-443A, Khoraj, Virochannagar, Ahmedabad-Viramgam Highway, Sanand, Ahmedabad (Gujarat)

p. Research & Development Facility

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

q. Compliance Officer

Chintan M. Trivedi
Company Secretary
Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India
Phone: + 91 79 26599000 Fax: + 91 79 26582100
E-mail ID: **chintantrivedi@torrentpharma.com**

r. Investor Services

E-mail ID: **investorservices@torrentpharma.com**

s. Registrars & Transfer Agents (RTA)

KFIN Technologies Limited
Unit: Torrent Pharmaceuticals Limited
Selenium Tower-B, Plot No. 31 & 32, Financial District,
Nanakramguda, Hyderabad - 500 032, India
Tel No: +91 40 67162222
Contact person: Ganesh Chandra Patro
E-mail ID: **einward.ris@kfintech.com**

t. Debenture Trustee

IDBI TRUSTEESHIP SERVICES LIMITED
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001
Website: **http://www.idbitrustee.com**
E-mail ID: **itsl@idbitrustee.com**
Tel. No: + 91 22 4080 7000
Fax No: +91 22 6631 1776

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Mumbai
24th May, 2024

ANNEXURE 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 01st April, 2023 or the date of their joining the Company, whichever is later, to 31st March, 2024 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.

Samir Mehta
Executive Chairman
DIN : 00061903

Mumbai
24th May, 2024

Independent Auditor's Report

To the Members of

Torrent Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Torrent Pharmaceuticals Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill

See Note 4.8.2, 8 and 9 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company tests goodwill for impairment annually, or more frequently when there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. We identified the annual impairment assessment of goodwill as a key audit matter because the assessment process is complex and judgmental by nature and is based on assumptions on: • projected future cash inflows; • expected growth rate and profitability; • discount rate; • perpetuity value based on long term growth rate.	Our audit procedures included the following: • Testing operating effectiveness of controls over determination of the recoverable amounts of cash generating units. Cash generating units for this purpose are those to which the goodwill is allocated; • Evaluating the model used in determining the recoverable value of the cash generating units; • Assessing the reasonableness of prior period cash flow forecasts of the Company by reference to actual performance to assess forecast accuracy; • Challenging the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, long term growth and discount rates in comparison to economic and industry forecasts with the assistance of our valuations specialist; • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates, future gross margins, and the discount rate used in determining the recoverable value; • Evaluating the adequacy of disclosures, including disclosures of key assumptions, judgements and sensitivities.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Continued)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 to 12 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid during the year by the Company until the date of this audit report is in accordance with Section 123 of the Act. As stated in Note 49 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account, which along with an access management tool as applicable, has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHQ6227

Place: Mumbai
Date: 24 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advance in the nature of loan, secured or unsecured to companies, firms, limited liability partnership or any other parties. The Company has made investments in companies and other parties, provided guarantees to companies and granted unsecured loans to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee to firms, limited liability partnership or any other parties, not made investments in firms or limited liability partnership and not granted loans, secured or unsecured to firms or limited liability partnership during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee as below:

(₹ in crores)

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	33.35	-
Others*	-	4.52
Balance outstanding as at balance sheet date		
Subsidiaries*	875.43	-
Others*	-	5.56

*As per the Companies Act, 2013

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024 (Continued)

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or provided any security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the guarantees given and investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024 (Continued)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in crores)	Amount paid under protest (₹ in crores)
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	CESTAT- Kolkata	2011-12, 2016-17 to June 2017	6.76	0.15
Finance Act, 1994	Demand of Service Tax/ Interest/Penalty	CESTAT-Ahmedabad	2013-14 to 2015-16	6.84	-
Finance Act, 1994	Demand of Service Tax/ Interest/Penalty	Supreme Court of India	2007-08 to June 2012	62.77	-
Finance Act, 1994	Demand of Service Tax/ Interest/Penalty	Commissioner of GST & Central Excise-Ahmedabad	July -2012 to Sept 2013 October-2013 to March-2015	12.17	-
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	CESTAT-Ahmedabad	2012-13 and 2013-14	13.71	0.30
The Central Goods & Service Tax Act, 2017	Interest on Input tax credit refund recovery	Gujarat High Court	July & August 2017	5.44	-
The Central Goods & Service Tax Act, 2017	Input Tax Credit	CESTAT-Ahmedabad	FY 2017-18	0.76	0.02
The Integrated Goods & Services Tax Act, 2017	Recovery of Refund received under Budgetary Support Scheme	Sikkim High court	December-2017 to May-2020	18.70	-
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	Commissioner (Appeals) of CGST & Central Excise, Indore	FY 2005-06	0.21	-
Madhya Pradesh Entry Tax Act, 1976	Entry Tax demand	Asst Commissioner of Commercial Tax, Madhya Praesh	2015-16 and 2016-17	0.15	0.03
Madhya Pradesh VAT Act, 2002	Demand of Tax	Asst Commissioner of Commercial Tax, Madhya Pradesh	2014-15, 2015-16 and 2016-17	0.06	0.01
Uttar Pradesh Trade Tax Act, 1948	Demand of Tax	Joint Commissioner, Commercial Tax, Uttar Pradesh	2003-04 and 2005-06	0.41	0.08
Andhra Pradesh Value Added Tax Act, 2005	Demand of Tax	Commercial Tax Officer	2015-16	0.08	-
Kerala Value Added Tax Act, 2003	Demand of Tax	Asst / Jt. Commissioner of Commercial Tax	2007-08 & 2015-16	0.33	0.02
Jharkhand Value Added Tax Act, 2005	Demand of Tax	Asst Commissioner of Commercial Tax	2015-16	0.03	-
UPGST/CGST Act, 2017	Demand of Tax	Joint Commissioner of State Tax, Uttar Pradesh	2017-18	0.93	0.08

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024 (Continued)

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in crores)	Amount paid under protest (₹ in crores)
DGST/CGST Act, 2017	Demand of Tax	Asst Commissioner of State Tax	2017-18	0.18	0.01
ASGST/CGST Act, 2017	Demand of Tax	Deputy Commissioner of State Tax	2017-18	0.02	-
MGST/CGST Act, 2017	Demand of Tax	Deputy Commissioner of State Tax	2019-20	0.03	-
TGST/CGST Act, 2017	Demand of Tax	Asst Commissioner of State Tax	2017-18	0.32	-
Employees' State Insurance Act, 1948	Contribution towards ESI	High Court, Gujarat	November 1991-March 2024	16.76	-

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024 (Continued)

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHQ6227

Place: Mumbai
Date: 24 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Torrent Pharmaceuticals Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the 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, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHQ6227

Place: Mumbai
Date: 24 May 2024

Standalone Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,117.54	2,601.60
Capital work-in-progress	6	203.94	674.90
Right-of-use assets	7	87.43	85.89
Goodwill	8	323.56	323.56
Other intangible assets	9	4,457.39	4,960.80
Intangible assets under development	9	22.29	23.03
Financial assets			
Investments	10	322.27	205.12
Loans	11	2.51	2.50
Other financial assets	12	17.05	12.01
		341.83	**219.63**
Other tax assets (net)		66.17	32.97
Other non-current assets	13	15.38	22.47
Total non-current assets		**8,635.53**	**8,944.85**
Current assets			
Inventories	14	1,565.59	1,602.23
Financial assets			
Investments	10	141.04	156.09
Trade receivables	15	1,571.94	1,729.44
Cash and cash equivalents	16	104.86	85.40
Bank balances other than cash and cash equivalents	17	3.90	62.21
Loans	11	3.05	1.71
Other financial assets	12	111.62	61.36
		1,936.41	**2,096.21**
Other current assets	13	239.06	228.64
Total current assets		**3,741.06**	**3,927.08**
TOTAL ASSETS		**12,376.59**	**12,871.93**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	169.23	169.23
Other equity	19	6,659.53	6,286.73
Total equity		**6,828.76**	**6,455.96**
Non-current liabilities			
Financial liabilities			
Borrowings	20	1,603.78	2,331.78
Lease liabilities	21	7.29	6.87
Other financial liabilities	25	9.24	20.87
		1,620.31	**2,359.52**
Provisions	22	282.15	244.54
Deferred tax liabilities (net)	23	655.81	401.30
Other non-current liabilities	26	0.96	1.46
Total non-current liabilities		**2,559.23**	**3,006.82**
Current liabilities			
Financial liabilities			
Borrowings	20	1,729.18	2,233.78
Lease liabilities	21	3.95	3.04
Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		16.12	17.96
Total outstanding dues of creditors other than micro enterprises and small enterprises		743.64	592.67
Other financial liabilities	25	204.24	336.49
		2,697.13	**3,183.94**
Other current liabilities	26	90.53	74.58
Provisions	22	170.74	150.63
Current tax liabilities (net)		30.20	-
Total current liabilities		**2,988.60**	**3,409.15**
TOTAL EQUITY AND LIABILITIES		**12,376.59**	**12,871.93**
Notes forming part of the Standalone Financial Statements	1 - 51		

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Samir Mehta
Executive Chairman
DIN : 00061903

Sadashiv Shetty
Partner
Membership No. 048648

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Mumbai
May 24, 2024

Standalone Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	27	8,532.90	7,695.20
Other income	28	91.36	81.88
Total Income		**8,624.26**	**7,777.08**
EXPENSES			
Cost of materials consumed	29	1,651.91	1,477.42
Purchases of stock-in-trade		548.48	533.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(68.61)	128.44
Employee benefits expense	31	1,450.67	1,251.22
Finance costs	32	303.04	297.68
Depreciation and amortisation expense	33	761.05	672.34
Other expenses	34	2,061.15	1,839.40
Total Expenses		**6,707.69**	**6,200.06**
PROFIT BEFORE TAX		**1,916.57**	**1,577.02**
TAX EXPENSE	23		
Current tax		321.67	274.20
Deferred tax		237.82	251.43
		559.49	**525.63**
PROFIT FOR THE YEAR		**1,357.08**	**1,051.39**
Other comprehensive income, net of taxes			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.67	(7.76)
Equity instruments through other comprehensive income		(10.86)	0.38
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement (losses)/gains on defined benefit plans		(0.23)	0.69
Equity instruments through other comprehensive income		3.79	(0.13)
Items that will be reclassified subsequently to profit or loss			
Effective portion on gains/(losses) on hedging instruments in a cash flow hedge		57.94	(109.15)
Income tax relating to items that will be reclassified subsequently to profit or loss			
Effective portion on losses / (gains) on hedging instruments in a cash flow hedge		(20.25)	38.14
		31.06	**(77.83)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,388.14**	**973.56**
Earnings per share (Face value per equity share of ₹ 5) (In ₹)			
Basic and diluted	36	40.10	31.07
Notes forming part of the Standalone Financial Statements	1 - 51		

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Samir Mehta
Executive Chairman
DIN : 00061903

Sadashiv Shetty
Partner
Membership No. 048648

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Mumbai
May 24, 2024

Standalone Statement of Changes in Equity

(A) Equity Share Capital

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	169.23	84.62
Changes during the year*	-	84.61
Balance at the end of the year	**169.23**	**169.23**

* Pursuant to approval given by its shareholders, during the year ended March 31, 2023, the Company had issued 16,92,22,720 equity shares of ₹ 5 each as fully paid-up bonus equity shares in the ratio of 1 (one) equity share for every 1 (one) existing equity share.

(B) Other Equity

(₹ in crores)

	Reserves and surplus					Other comprehensive income		
	Retained earnings	General reserve	Debenture redemption reserve	Capital reserve	Securities premium	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Total
Balance as at April 1, 2023	3,394.21	2,812.62	107.14	0.00	-	0.42	(27.66)	6,286.73
Profit for the year	1,357.08	-	-	-	-	-	-	1,357.08
Other comprehensive income for the year (net of tax)	0.44	-	-	-	-	(7.07)	37.69	31.06
Dividends*	(1,015.34)	-	-	-	-	-	-	(1,015.34)
Transfer from debenture redemption reserve	-	35.71	(35.71)	-	-	-	-	-
Balance as at March 31, 2024	**3,736.39**	**2,848.33**	**71.43**	**0.00**	**-**	**(6.65)**	**10.03**	**6,659.53**
Balance as at April 1, 2022	3,212.92	2,857.16	142.86	0.00	4.34	0.17	43.35	6,260.80
Profit for the year	1,051.39	-	-	-	-	-	-	1,051.39
Other comprehensive income for the year (net of tax)	(7.07)	-	-	-	-	0.25	(71.01)	(77.83)
Bonus issued	-	(80.26)	-	-	(4.34)	-	-	(84.60)
Dividends**	(863.03)	-	-	-	-	-	-	(863.03)
Transfer from debenture redemption reserve	-	35.72	(35.72)	-	-	-	-	-
Balance as at March 31, 2023	**3,394.21**	**2,812.62**	**107.14**	**0.00**	**-**	**0.42**	**(27.66)**	**6,286.73**

* Dividend includes 2022-23 final dividend of ₹ 8 per share and 2023-24 interim dividend of ₹22 per share.

** Dividends include 2021-22 final dividend of ₹ 23 per share (Including special dividend of ₹ 15 per share) and 2022-23 interim dividend of ₹ 14 per share.

Standalone Statement of Changes in Equity (Continued)

Nature and Purpose of Reserves :

(a) **Retained earnings :** Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

(b) **General reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) **Debenture redemption reserve :** The reserve represents amount required to be set aside out of profits in accordance with Companies Act, 2013 upto August 16, 2019.

(d) **Capital reserve :** Capital reserve represents profit or loss on cancellation of own forfeited equity instruments.

(e) **Securities premium :** Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

(f) **Equity instruments through other comprehensive income :** This represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income.

(g) **Effective portion of cash flow hedges :** This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the statement of profit and loss.

Notes forming part of the Standalone Financial Statements (Refer note 1 to 51)

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Standalone Statement of Cash Flows

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	1,916.57	1,577.02
	Adjustments for :		
	Depreciation and amortisation expense	761.05	672.34
	Allowance for expected credit loss (net)	3.92	0.35
	Unrealised foreign exchange (gain)/loss (net)	(36.64)	73.23
	(Gain) / Loss on sale / discard / write-off of property, plant & equipment and other intangible assets	(3.03)	(22.45)
	Net gain on sale of investments	(17.99)	(19.51)
	Finance costs	303.04	297.68
	Interest income	(2.54)	(11.15)
	Dividend income	(50.20)	-
		2,874.18	**2,567.51**
	Movement in working capital:		
	(Increase) / Decrease in Trade Receivables	139.49	(167.39)
	(Increase) / Decrease in Loans and Other assets	36.55	(101.41)
	(Increase) / Decrease in Inventories	36.64	217.56
	Increase / (Decrease) in Trade Payables	152.17	(75.78)
	Increase / (Decrease) in Liabilities and Provisions	(21.25)	97.38
	CASH GENERATED FROM OPERATIONS	**3,217.78**	**2,537.87**
	Income taxes paid (net of refunds)	(324.68)	(272.46)
	NET CASH FROM OPERATING ACTIVITIES	**2,893.10**	**2,265.41**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets (including payment towards capital work-in-progress, intangible assets under development and capital advances)	(344.34)	(570.90)
	Proceeds from sale of property, plant & equipment and other intangible assets (including asset held for sale)	31.49	155.18
	Payment for additional investment in subsidiaries	(128.05)	(21.09)
	Acquisition of subsidiaries (Refer note 43)	-	(2,000.00)
	Proceeds from redemption of mutual funds (net)	33.04	47.40
	Dividend received from subsidiary	50.20	-
	Maturity of / (Investments in) Fixed deposits (net)	57.41	(3.93)
	Interest received	4.18	9.27
	NET CASH (USED IN) INVESTING ACTIVITIES	**(296.07)**	**(2,384.07)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	-	1,395.00
	Repayment of long-term borrowings	(1,236.01)	(971.84)
	Proceeds from short term borrowings (net)	2.23	797.80
	Repayment of lease liabilities	(5.15)	(4.76)
	Dividend paid	(1,015.34)	(863.03)
	Finance costs paid	(323.30)	(272.43)
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES	**(2,577.57)**	**80.74**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**19.46**	**(37.92)**
	Amount transferred consequent to amalgamation (Refer note 43)	-	58.32
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 16)	**85.40**	**65.00**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 16)	**104.86**	**85.40**

Standalone Statement of Cash Flows (Continued)

Notes:

(1) The above statement of Cash flows has been prepared under the "Indirect Method" as set out in the Ind AS 7 - Statement of Cash Flows.

(2) The Company considers investing in liquid mutual fund as an important part of its cash management activities. In accordance with Ind AS 7, the same is presented as cash flows from investing activities. As at March 31, 2024 investment amount is ₹140.96 crores (As at March 31, 2023: ₹ 156.06 crores).

(3) Changes in liabilities arising from financing activities :

(₹ in crores)

	As at April 1, 2023	Cash flows (net)	Non-cash changes			As at March 31, 2024
			Net Addition	Foreign currency translation	Other Adjustments	
Long-term borrowings including current maturities (Refer note 20)	3,367.80	(1,236.01)	-	-	1.17	2,132.96
Short-term borrowings (Refer note 20)	1,197.77	2.23	-	-	-	1,200.00
Interest accrued but not due on borrowings (Refer note 25)	57.72	(323.30)	302.05	-	(1.17)	35.30
Lease liabilities (Non-Current and Current liabilities) (Refer note 21)	9.91	(5.15)	5.88	(0.39)	0.99	11.24
	4,633.20	**(1,562.23)**	**307.93**	**(0.39)**	**0.99**	**3,379.50**

(₹ in crores)

	As at April 1, 2022	Cash flows (net)	Non-cash changes			As at March 31, 2023
			Net Addition	Foreign currency translation	Other Adjustments	
Long-term borrowings including current maturities (Refer note 20)	2,943.44	423.16	-	-	1.20	3,367.80
Short-term borrowings (Refer note 20)	399.97	797.80	-	-	-	1,197.77
Interest accrued but not due on borrowings (Refer note 25)	34.17	(272.43)	297.18	-	(1.20)	57.72
Lease liabilities (Non-Current and Current liabilities) (Refer note 21)	4.10	(4.76)	10.29	0.13	0.15	9.91
	3,381.68	**943.77**	**307.47**	**0.13**	**0.15**	**4,633.20**

Notes forming part of the Standalone Financial Statements (Refer note 1 to 51)

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Notes forming part of the Standalone Financial Statements

1 Corporate information

Torrent Pharmaceuticals Limited (“the Company”) is a public limited company incorporated and domiciled in India. The registered office of the Company is located at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India. The Company is engaged in manufacturing, developing and marketing of generic pharmaceutical formulations. The Company’s research and development facility is located in the state of Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh and Sikkim.

2 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

3 Basis of preparation of financial statements

3.1 Basis of preparation and presentation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Derivative financial instruments
- Investments in mutual funds, equity instruments and LLP
- Defined benefit plan – plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of asset.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

3.2 Functional and presentation currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in the nearest rupee crores.

Notes forming part of the Standalone Financial Statements

3.3 Use of accounting estimates and judgements

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgements, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and if any future periods affected.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements:

- **Useful lives of property, plant and equipment (Refer note 4.1)**

  The Company reviews estimated useful lives, residual values and depreciation method at each financial year-end and changes in estimates, if any are accounted for as a change in an accounting estimates.

- **Valuation of assets acquired as part of business combination (Refer note 4.2.1)**

  Ind AS 103 requires the identifiable assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and assets. The purchase price allocation valuations are conducted by independent valuer.

- **Useful lives of intangible assets (Refer note 4.3)**

  The Company reviews estimated useful life of amortisable intangible assets at the end of each reporting period and change in estimates if any are accounted for as a change in an accounting estimates.

- **Impairment of investments in subsidiaries (Refer note 4.5.1)**

  Investment in subsidiaries are measured at cost and tested for impairment annually. For impairment testing, management determines recoverable amount using cash flow projections. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins.

- **Valuation of inventories (Refer note 4.7)**

  The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impacts the Company’s business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision on a periodic basis to reflect its actual experience.

- **Impairment of intangible assets and goodwill (Refer note 4.8.2)**

  Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated growth rates and weighted average cost of capital. Cash flow projections take into account past experience and represent management’s best estimate about future developments.

- **Employee benefits (Refer note 4.9 and 39)**

  The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates.

- **Provisions & contingent liabilities (Refer note 4.11 and 42)**

  The Company exercises judgement in determining outcome of a particular matter is possible, probable or remote. The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities.

Notes forming part of the Standalone Financial Statements

3.3 Use of accounting estimates and judgements (Continued)

- **Sales returns (Refer note 4.12)**

  The estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, market condition, estimated shelf life and specific contractual terms.

- **Provision for income tax and deferred tax assets (Refer note 4.13)**

  The Company exercises significant judgements in determining provision for income taxes, uncertain tax positions and to reassess the carrying amount of deferred tax assets at the end of the each reporting period.

4 Material accounting policies

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets 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 financing of acquisition or construction of the qualifying fixed assets is capitalised to respective assets when the time taken to put the assets to use is substantial.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of replacement of any property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Capital work in progress which are not ready for intended use are carried at cost less impairment loss, if any.

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 the project costs and are capitalised. Such expenses are capitalised only if the project to which they relate, involve substantial expansion of capacity or upgradation.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognised in the statement of profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on property, plant and equipment is provided using straight-line method based on useful life of the assets estimated by the management. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for as a change in accounting estimates.

Notes forming part of the Standalone Financial Statements

4.1 Property, plant and equipment (Continued)

The estimated useful lives of property, plant and equipment are as under:

Type of property, plant and equipment	Useful life
Other than factory buildings*	58 years
Factory buildings*	28 years
Plant and equipments*	10 to 20 years
Laboratory equipments*	5 to 20 years
Electrical equipments*	10 to 20 years
Furniture & Fixtures	10 years
Office equipments*	10 years
Wind power plant*	25 years
Solar power plant*	30 years
Computer equipments	3 years
Vehicles	10 years

* For these classes 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.

4.2 Business combinations and goodwill

4.2.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed in the statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net identifiable assets and contingent liabilities.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose. The financial statement of prior period is restated as if the business combination had occurred from the beginning of the preceding period, irrespective of the actual date of combination.

Notes forming part of the Standalone Financial Statements

4.2 Business combinations and goodwill (Continued)

4.2.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.3 Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Acquired research and development intangible assets that are under development are recognised as intangible assets under development. These assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Intangible assets are amortised over their respective estimated useful life using straight-line method. The estimated useful life of amortisable intangible assets is reviewed at the end of each reporting period and changes in estimates if any are accounted for as a change in accounting estimates.

The estimated useful lives of intangible assets are as mentioned below:

Type of intangible asset	Useful life
Softwares	3 to 5 years
Product licenses	Upto 15 years
Brands	Upto 15 years
Non-compete fees	Upto 5 years
Drug master files	10 years

4.4 Foreign currency transaction and translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Notes forming part of the Standalone Financial Statements

4.5 Financial instruments

4.5.1 Financial assets

(a) Classification of financial assets :

The Company classifies its financial assets in the following categories:

- those measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(b) Initial measurement :

Financial assets (unless it is a trade receivable without a significant financing component) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement :

- **Amortised Cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises.

(d) Derecognition of financial assets :

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

Notes forming part of the Standalone Financial Statements

4.5.1 Financial assets (Continued)

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has retained substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company has retained control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(e) Income recognition :

Dividend is accounted when the right to receive payment is established. Interest income is recognised in the statement of profit and loss as it accrues, using the effective interest method.

(f) Cash and cash equivalents :

Cash and cash equivalents consists of cash on hand, short term deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

(g) Investments :

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost less provision for impairment, if any.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income.

(h) Trade receivables :

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognised at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

4.5.2 Financial liabilities

The Company's financial liabilities include trade payables, loans and borrowing and derivative financial instruments.

(a) Classification :

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortised cost.

(b) Initial measurement :

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes forming part of the Standalone Financial Statements

4.5.2 Financial liabilities (Continued)

(c) Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Derecognition of financial liabilities :

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Borrowings :

Borrowings are initially recorded at fair value net of transaction cost and subsequently measured at amortised costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

(f) Trade payables :

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

4.5.3 Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and nature of hedged items.

Derivative financial instruments that hedges foreign currency risk associated with highly probable forecasted transactions are designated as cash flow hedges and measured at fair value. The effective portion of such hedges is recorded in cash flow hedge reserve, as a component of equity, and re-classified to the statement of profit and loss in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such hedges is recorded in the statement of profit and loss immediately.

Hedge effectiveness is tested both at the inception of the hedge relationship as well as on an ongoing basis. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting.

4.6 Leases – Company as lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether contract involves the use of an identified asset, the Company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct the use of the asset.

Notes forming part of the Standalone Financial Statements

4.6 Leases – Company as lessee (Continued)

At the inception date, right-of-use (ROU) asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Company has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

4.7 Inventories

Inventories are carried at the lower of cost and net realisable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

a. Raw material and packing material - Purchase cost of materials on a moving average basis.

b. Finished goods (manufactured) and work in progress - Cost of purchase, conversion cost and other costs on a weighted average cost method.

c. Finished Goods (traded) - Purchase cost on a moving average basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from tax authorities), and transport, handling and other costs directly attributable to bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor, which impact the Company's business, in determining the allowance for obsolete, non-saleable and slow moving inventories.

4.8 Impairment of assets

4.8.1 Financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires the Company to apply expected credit loss model for recognition and measurement of impairment loss. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The impairment loss is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes forming part of the Standalone Financial Statements

4.8 Impairment of assets (Continued)

4.8.2 Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

4.9 Employee benefits

4.9.1 Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

4.9.2 Long term employment benefits

Defined contribution plans :

Contributions to defined contribution plans (provident fund, superannuation and other social security schemes) are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans :

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Termination benefits :

Termination benefits are recognised as expense when the Company is committed without any possibility of withdrawal of an offer made to either terminate employment before the normal retirement date or as a result of an offer made to encourage voluntary retirement.

Notes forming part of the Standalone Financial Statements

4.9.2 Long term employment benefits (Continued)

Compensated absences and earned leaves :

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been and will be fulfilled.

Government grants related to asset are recognised as deferred income and charged to statement of profit and loss on a systematic basis over expected useful life of the related asset.

Government grants are recognised in statement of profit and loss on a systematic basis over the period in which Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses already incurred are recognised in statement of profit and loss in the period in which they become receivable.

When loans received from the government or related institutions with below-market interest rate, the benefit of below-market interest rate is treated as government grant measured as the difference between the proceeds received and the fair value of loan based on prevailing market interest rate.

4.11 Provisions, contingent liabilities and contingent assets

Provisions :

A provision is recognised when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability :

The Company uses significant judgements to assess contingent liabilities. A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets :

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Notes forming part of the Standalone Financial Statements

4.12 Revenue recognition

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in the contract with customer. Revenue are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognised when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods are made available to the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions 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 trade practices, historical trends, past experience and projected market conditions.

Export entitlements are recognised 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.

4.13 Income taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognised in statement of profit and loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case, income tax expenses are also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction are not recognised.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes forming part of the Standalone Financial Statements

4.13 Income taxes (Continued)

For units which enjoy tax holiday benefit, deferred tax assets and liabilities are recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

4.14 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares.

4.15 Research and development

Revenue expenditure on research and development activities is recognised as expense in the separate heads of the statement of profit and loss in the period in which it is incurred.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised when the probability of expected future economic benefits criterion is considered to be satisfied.

4.16 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

4.17 GST input credit

Goods and services tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input 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.

4.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

Notes forming part of the Standalone Financial Statements

4.19 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

4.20 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes forming part of the Standalone Financial Statements

6 Property, Plant and Equipment

(₹ in crores)

	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical equipments	Total
Gross carrying amount as at April 1, 2023	662.48	1,129.34	2,047.19	66.46	25.27	140.67	234.11	4,305.52
Additions during the year	17.95	384.03	262.52	20.32	3.47	38.41	41.21	767.91
Less: Deductions during the year	-	27.67	16.82	4.02	1.21	9.11	2.51	61.34
Gross carrying amount as at March 31, 2024	**680.43**	**1,485.70**	**2,292.89**	**82.76**	**27.53**	**169.97**	**272.81**	**5,012.09**
Accumulated depreciation as at April 1, 2023	-	274.05	1,160.03	45.13	9.84	99.56	115.31	1,703.92
Depreciation for the year	-	37.73	141.63	5.30	2.61	21.69	14.56	223.52
Less: Deductions during the year	-	3.68	14.35	3.54	0.54	8.61	2.17	32.89
Accumulated depreciation as at March 31, 2024	**-**	**308.10**	**1,287.31**	**46.89**	**11.91**	**112.64**	**127.70**	**1,894.55**
Net carrying amount as at March 31, 2024	**680.43**	**1,177.60**	**1,005.58**	**35.87**	**15.62**	**57.33**	**145.11**	**3,117.54**
Capital work-in-progress								
Carrying amount as at April 1, 2023								674.90
Additions during the year								305.28
Less: Deductions/Capitalised during the year								776.24
Carrying amount as at March 31, 2024								**203.94**
Total								**3,321.48**
Gross carrying amount as at April 1, 2022	662.57	1,050.63	1,921.37	64.84	20.45	123.58	221.31	4,064.75
Additions during the year	1.73	79.41	146.94	2.24	5.15	19.39	12.95	267.81
Acquisition through business combinations (Refer note 43)	-	-	0.69	0.48	0.09	0.09	0.11	1.46
Less: Deductions during the year	1.82	0.70	21.81	1.10	0.42	2.39	0.26	28.50
Gross carrying amount as at March 31, 2023	**662.48**	**1,129.34**	**2,047.19**	**66.46**	**25.27**	**140.67**	**234.11**	**4,305.52**
Accumulated depreciation as at April 1, 2022	-	241.70	1,043.24	42.12	7.85	87.80	104.26	1,526.97
Depreciation for the year	-	32.48	135.39	3.96	2.26	13.98	11.29	199.36
Less: Deductions during the year	-	0.13	18.60	0.95	0.27	2.22	0.24	22.41
Accumulated depreciation as at March 31, 2023	**-**	**274.05**	**1,160.03**	**45.13**	**9.84**	**99.56**	**115.31**	**1,703.92**
Net carrying amount as at March 31, 2023	**662.48**	**855.29**	**887.16**	**21.33**	**15.43**	**41.11**	**118.80**	**2,601.60**
Capital work-in-progress								
Carrying amount as at April 1, 2022								543.54
Additions during the year								404.27
Less: Deductions/Capitalised during the year								272.91
Carrying amount as at March 31, 2023								**674.90**
Total								**3,276.50**

(i) Certain property, plant and equipments hypothecated/mortgaged as security for borrowings as disclosed under note 20.

Notes forming part of the Standalone Financial Statements

6. Property, Plant and Equipment (Continued)

(ii) Capital work-in-progress includes revenue expenditure of ₹7.94 crores (previous year : ₹39.11 crores) incurred in connection with construction of property, plant and equipment.

(iii) ₹1.40 crores (Previous year : ₹0.43 crores) of borrowing costs has been capitalised during the year against qualifying assets under construction using a capitalisation rate of 7.47% (previous year : 7.75%).

(iv) The amount of capital commitments is disclosed in note 42.

(v) Additions to research and development assets during the year are as under:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Buildings	0.43	2.20
Plant and equipments (including laboratory equipments)	5.86	17.53
Electrical equipments	0.76	0.27
Furniture and fixtures	0.96	0.41
Office equipments	3.02	1.53
Vehicles	-	0.50
Intangibles being softwares	2.22	3.94
Total	**13.25**	**26.38**

(vi) Pro-rata cost of assets owned jointly with Torrent Power Limited, a fellow subsidiary are as under:

(₹ in crores)

	Proportion of holding	As at March 31, 2024	As at March 31, 2023
Freehold Land	50%	23.79	23.79
Freehold Land	30%	35.69	35.69
Building	30%	0.65	0.65
Total		**60.13**	**60.13**

(vii) Capital work-in-progress ageing schedule :

(₹ in crores)

As at March 31, 2024	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Growth projects	86.26	24.50	26.53	0.31	137.60
Maintenance capex	41.33	4.19	5.14	15.68	66.34
Projects temporarily suspended	-	-	-	-	-
Total	**127.59**	**28.69**	**31.67**	**15.99**	**203.94**

Notes forming part of the Standalone Financial Statements

6 Property, Plant and Equipment (Continued)

(₹ in crores)

As at March 31, 2023	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress*					
Growth projects	117.35	100.51	50.76	276.91	545.53
Maintenance capex	74.97	15.30	8.25	30.85	129.37
Projects temporarily suspended	-	-	-	-	-
Total	**192.32**	**115.81**	**59.01**	**307.76**	**674.90**

* In case of Oncology facility, since the project completion date was linked to approval of the facility by relevant regulatory authorities, the same was classified as Project in Progress as at March 31, 2023 and has been capitalised during the current year.

(viii) For capital-work-in progress, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

7 Right-Of-Use Assets

(₹ in crores)

	Land	Buildings	Vehicles	Computers	Total
Gross carrying amount as at April 1, 2023	82.49	15.16	6.06	-	103.71
Additions during the year	1.88	-	2.58	3.30	7.76
Less: Deductions / Adjustments during the year	-	3.53	6.07	-	9.60
Gross carrying amount as at March 31, 2024	**84.37**	**11.63**	**2.57**	**3.30**	**101.87**
Accumulated depreciation as at April 1, 2023	7.61	4.67	5.54	-	17.82
Depreciation for the year	1.92	2.64	1.17	0.49	6.22
Less: Deductions during the year	-	3.53	6.07	-	9.60
Accumulated depreciation as at March 31, 2024	**9.53**	**3.78**	**0.64**	**0.49**	**14.44**
Net carrying amount as at March 31, 2024	**74.84**	**7.85**	**1.93**	**2.81**	**87.43**
Gross carrying amount as at April 1, 2022	82.49	8.56	7.21	-	98.26
Additions during the year	-	10.29	-	-	10.29
Less: Deductions / Adjustments during the year	-	3.69	1.15	-	4.84
Gross carrying amount as at March 31, 2023	**82.49**	**15.16**	**6.06**	**-**	**103.71**
Accumulated depreciation as at April 1, 2022	5.69	5.51	5.48	-	16.68
Depreciation for the year	1.92	2.51	1.21	-	5.64
Less: Deductions during the year	-	3.35	1.15	-	4.50
Accumulated depreciation as at March 31, 2023	**7.61**	**4.67**	**5.54**	**-**	**17.82**
Net carrying amount as at March 31, 2023	**74.88**	**10.49**	**0.52**	**-**	**85.89**

(i) Lease contracts entered by the Company majorly pertains for land, buildings, vehicles and computers taken on lease to conduct its business in the ordinary course.

(ii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Company's operations.

(iii) Lease liabilities, interest expense on lease liabilities and payment of lease liabilities are disclosed in note 21. Maturity profile of lease liabilities is disclosed in note 40 : liquidity risk.

Notes forming part of the Standalone Financial Statements

8 Goodwill

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	323.56	243.96
Goodwill arising on business combinations (Refer note 43)	-	79.60
Balance at the end of year	**323.56**	**323.56**

The Company tests goodwill for impairment annually or based on an indication. The Company provides for impairment if the carrying amount of cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of CGU to which the goodwill is related.

The carrying amount of goodwill has been allocated to CGUs as follows:

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Acquired brands	288.94	288.94
Acquired facility with Drug Master files	34.62	34.62
Total	**323.56**	**323.56**

Key assumptions for CGUs with significant amount of goodwill are as follows :

a) Projected cash flows for five years based on financial budgets / forecasts. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.

b) Projected revenue growth rate is 7% to 17%.

c) Discount rate applied to projected cash flow is 12% to 16%.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

9 Other Intangible Assets

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Gross carrying amount as at April 1, 2023	157.89	110.22	7,211.30	129.63	25.03	7,634.07
Additions during the year	20.91	7.00	-	-	-	27.91
Less: Deductions during the year	1.16	-	-	98.53	-	99.69
Gross carrying amount as at March 31, 2024	**177.64**	**117.22**	**7,211.30**	**31.10**	**25.03**	**7,562.29**
Accumulated amortisation as at April 1, 2023	134.96	71.25	2,349.17	101.43	16.46	2,673.27
Amortisation for the year	18.26	20.05	484.28	6.22	2.50	531.31
Less: Deductions during the year	1.15	-	-	98.53	-	99.68
Accumulated amortisation as at March 31, 2024	**152.07**	**91.30**	**2,833.45**	**9.12**	**18.96**	**3,104.90**
Net carrying amount as at March 31, 2024	**25.57**	**25.92**	**4,377.85**	**21.98**	**6.07**	**4,457.39**

Notes forming part of the Standalone Financial Statements

9 Other Intangible Assets (Continued)

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Intangible assets under development						
Carrying amount as at April 1, 2023						23.03
Additions during the year						13.16
Less: Deductions/Capitalised during the year						13.90
Carrying amount as at March 31, 2024						**22.29**
Total						**4,479.68**
Gross carrying amount as at April 1, 2022	139.72	65.30	5,266.80	98.53	25.03	5,595.38
Additions during the year	19.61	44.92	145.00	-	-	209.53
Acquisition through business combinations (Refer note 43)	0.07	-	1,799.50	31.10	-	1,830.67
Less: Deductions during the year	1.51	-	-	-	-	1.51
Gross carrying amount as at March 31, 2023	**157.89**	**110.22**	**7,211.30**	**129.63**	**25.03**	**7,634.07**
Accumulated amortisation as at April 1, 2022	119.54	51.61	1,933.37	88.97	13.96	2,207.45
Amortisation for the year	16.94	19.64	415.80	12.46	2.50	467.34
Less: Deductions during the year	1.52	-	-	-	-	1.52
Accumulated amortisation as at March 31, 2023	**134.96**	**71.25**	**2,349.17**	**101.43**	**16.46**	**2,673.27**
Net carrying amount as at March 31, 2023	**22.93**	**38.97**	**4,862.13**	**28.20**	**8.57**	**4,960.80**
Intangible assets under development						
Carrying amount as at April 1, 2022						23.96
Additions during the year						203.37
Less: Deductions/Capitalised during the year						204.30
Carrying amount as at March 31, 2023						**23.03**
Total						**4,983.83**

(i) Material intangible assets in the Company's financial statement :

Description of intangible assets	Brands
Net Carrying amount	**₹4,377.85 crores as at March 31, 2024**
	(₹4,862.13 crores as at March 31, 2023)
Remaining amortisation period	**5 years to 14 years as at March 31, 2024**
	(6 years to 15 years as at March 31, 2023)

Notes forming part of the Standalone Financial Statements

9 Other Intangible Assets (Continued)

(ii) Intangible assets under development ageing schedule :

(₹ in crores)

As at March 31, 2024	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	5.07	5.89	2.04	9.29	22.29
Projects temporarily suspended	-	-	-	-	-
Total	**5.07**	**5.89**	**2.04**	**9.29**	**22.29**

(₹ in crores)

As at March 31, 2023	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	9.24	2.11	2.53	9.15	23.03
Projects temporarily suspended	-	-	-	-	-
Total	**9.24**	**2.11**	**2.53**	**9.15**	**23.03**

(iii) For intangible assets under development, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

10 Investments

(₹ in crores)

	No. of shares	As at March 31, 2024	As at March 31, 2023
Non-current			
(Unquoted)			
At Cost			
Investments in subsidiaries			
Equity instruments of :			
Zao Torrent Pharma (Russia)	23,802	58.80	58.80
fully paid-up equity shares of Russian Roubles 100 each			
Less : Provision for impairment		(23.08)	(23.08)
		35.72	35.72
Torrent Do Brasil Ltda. (Brazil)	1,91,44,418	31.11	31.11
fully paid-up equity shares (Quotas) of Brazilian Reai 1 each			
Torrent Pharma Gmbh (Germany) : equity capital	-	23.37	23.37
Torrent Pharma Inc. (USA)	12,000	4.99	4.99
fully paid-up common Stock of USD 100 each			
Torrent Pharma Philippines Inc. (Philippines)	1,92,732	4.75	4.75
fully paid-up equity shares of Philippines Pesos 200 each			
Laboratorios Torrent, S.A. De C.V. (Mexico)	74,741	27.99	27.99
fully paid-up equity shares of Mexican Pesos 1000 each			
Torrent Australasia Pty Ltd (Australia)	6,75,000	0.30	0.30
partly paid-up common stock of Australian Dollar (AUD) 1 each, AUD 0.1282 paid each			

Notes forming part of the Standalone Financial Statements

10 Investments (Continued)

(₹ in crores)

	No. of shares	As at March 31, 2024	As at March 31, 2023
Torrent Pharma (UK) Ltd (United Kingdom)	2,25,000	1.68	1.68
fully paid-up equity shares of Pound Sterling 1 each			
Torrent Pharma (Thailand) Co., Ltd. (Thailand)	73,80,000	8.04	2.10
fully paid-up equity shares of Thai Baht 5 each	(23,80,000)		
Laboratories Torrent (Malaysia) SDN. BHD. (Malaysia)	10,00,000	0.77	0.77
fully paid-up equity shares of Malaysian Ringgit 1 each			
TPL (Malta) Limited	1,59,99,999	142.63	29.64
fully paid-up equity share of 1 Euro each	(35,04,999)		
Torrent International Lanka Pvt Ltd. (Sri Lanka) (formerly known as Curatio International Lanka Pvt Ltd.)	2,13,48,798	8.43	8.43
fully paid-up equity shares of LKR 10 each			
Less : Provision for impairment		(8.43)	(8.43)
		-	-
Curatio Inc, Philippines (Philippines)	10,88,105	15.21	15.21
fully paid-up equity shares of PHP 100 each			
Less : Provision for impairment		(15.21)	(15.21)
		-	-
Farmaceutica Torrent Colombia SAS (Colombia)	4,29,00,000	9.12	-
fully paid-up equity shares of COP 100 each	-		
		290.47	**162.42**
At fair value through other comprehensive income			
Equity instruments of :			
Epigeneres Biotech Private Limited	158	2.00	2.00
fully paid-up equity shares of ₹10 each			
Shivalik Solid Waste Management Limited	20,000	0.02	0.02
fully paid-up equity shares of ₹10 each			
UNM Foundation	50,000	0.05	0.05
fully paid-up equity shares of ₹10 each			
Investment in LLP :			
ABCD Technologies LLP	6.45% *	29.72	40.62
* Share of profit/loss and voting rights			
At amortised cost			
National savings certificates		0.01	0.01
		322.27	**205.12**
Current			
(Quoted)			
At fair value through other comprehensive income			
Equity instruments of :			
Union Bank of India	5,115	0.08	0.03
fully paid-up equity shares of ₹2 each			
At fair value through profit or loss			
Mutual funds		140.96	156.06
		141.04	**156.09**
		463.31	**361.21**

Notes forming part of the Standalone Financial Statements

10 Investments (Continued)

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(i)	Aggregate amount of unquoted investments	322.27	205.12
(ii)	Aggregate amount of quoted investments	141.04	156.09
(iii)	Aggregate impairment in value of investment	46.72	46.72
(iv)	Ownership interest in all subsidiaries is 100%.		
(v)	Number of shares in bracket represents shares held in previous year.		

11 Loans

(Unsecured and considered good, unless otherwise stated)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Employee loans	2.51	2.50
	2.51	**2.50**
Current		
Employee loans	3.05	1.71
	3.05	**1.71**
	5.56	**4.21**

12 Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits	11.18	10.48
Derivative financial instruments	4.38	-
Fixed deposits (having remaining maturity of more than 12 months)	1.49	1.53
	17.05	**12.01**
Current		
Security deposits	0.41	1.13
Derivative financial instruments	24.37	-
Interest accrued on deposits	0.29	1.93
Production linked incentive benefit receivable	84.33	57.48
Other receivables (includes receivables on derivative instrument, etc.)	2.22	0.82
	111.62	**61.36**
	128.67	**73.37**

Notes forming part of the Standalone Financial Statements

13 Other Assets

(Unsecured and considered good, unless otherwise stated)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances	15.38	22.47
	15.38	**22.47**
Current		
Export benefits receivable	16.01	7.19
Claims receivable (indirect tax and others)	50.47	29.09
Employee advances	6.84	6.09
Prepaid expenses	36.92	51.18
Indirect taxes recoverable	81.98	87.13
Advances to suppliers	30.21	39.13
Other receivables (includes gratuity assets (net), etc.)	16.63	8.83
	239.06	**228.64**
	254.44	**251.11**

14 Inventories

(At lower of cost and net realisable value)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Raw materials	642.03	751.07
Packing materials	61.05	57.26
Work-in-progress	140.95	116.47
Finished goods	532.07	462.98
Stock-in-trade	189.49	214.45
	1,565.59	**1,602.23**

(i) Inventory as at March 31, 2024 includes inventory of Raw materials in transit of ₹12.78 crores, Packing materials in transit of ₹0.79 crores and stock of traded goods in transit of ₹4.75 crores.

(ii) The Company reversed inventory write-down (net) of ₹ 14.13 crores and ₹28.40 crores in statement of profit and loss for the year ended March 31, 2024 and March 31, 2023 respectively.

(iii) The Company writes down the value of inventories towards slow moving, non-moving and non-saleable inventory (expired/damaged) based on historical experience in respect of such items and any recent trends that may suggest realisable amount differing from historical amounts.

(iv) Inventories are hypothecated as security for borrowings as disclosed under note 20.

Notes forming part of the Standalone Financial Statements

15 Trade Receivables

(Unsecured)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(a) Considered good	1,574.90	1,729.44
(b) Credit-impaired	3.91	5.12
Less : Allowance for expected credit loss	6.87	5.12
	1,571.94	**1,729.44**
(i) Trade receivables are non-interest bearing and are generally on credit period upto 180 days.		
(ii) Movements in allowance for expected credit loss :		
Balance at the beginning of the year	5.12	4.77
Add/(Less) : Provision made/(reversed) during the year (net)	3.92	0.35
Less: Provision used during the year	(2.17)	-
Balance at the end of the year	**6.87**	**5.12**

(iii) Trade receivable ageing schedule for the year ended as on March 31, 2024 and March 31, 2023.

(₹ in crores)

As at March 31, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,419.99	151.85	0.60	2.25	0.21	-	1,574.90
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	0.62	0.26	0.88
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	0.66	0.10	0.03	1.15	1.09	3.03
Less: Allowance for credit loss							(6.87)
Total							**1,571.94**

Notes forming part of the Standalone Financial Statements

15 Trade Receivables (Continued)

(₹ in crores)

As at March 31, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,286.54	425.88	6.09	2.83	5.95	2.15	1,729.44
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	0.42	0.42
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.32	0.82	0.33	3.23	4.70
Less: Allowance for credit loss							(5.12)
Total							**1,729.44**

16 Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balances with banks	104.64	82.60
Cash on hand	0.22	0.18
Fixed deposit with original maturity of less than 3 months	-	2.62
	104.86	**85.40**

17 Bank Balances other than Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks*	3.86	4.80
Fixed deposit with original maturity of more than 3 months and less than 12 months	0.04	57.41
	3.90	**62.21**

*Earmarked balances with banks primarily relates to unclaimed dividends.

Notes forming part of the Standalone Financial Statements

18 Equity Share Capital

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Authorised		
42,00,00,000 (previous year 42,00,00,000) equity shares of ₹5 each	210.00	210.00
25,00,000 (previous year 25,00,000) preference shares of ₹100 each	25.00	25.00
	235.00	**235.00**
Issued		
33,84,45,440 (previous year 33,84,45,440) equity shares of ₹5 each	169.23	169.23
Subscribed and fully paid-up		
33,84,45,440 (previous year 33,84,45,440) equity shares of ₹5 each	169.23	169.23
	169.23	**169.23**

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

	As at March 31, 2024		As at March 31, 2023	
	Numbers	₹ In crores	Numbers	₹ In crores
As at the beginning of the year	33,84,45,440	169.23	16,92,22,720	84.62
Add: Bonus shares issued during the year	-	-	16,92,22,720	84.61
Outstanding at the end of the year	33,84,45,440	169.23	33,84,45,440	169.23

(ii) Torrent Investments Private Limited, the holding Company, holds 24,11,27,440 (previous year 24,11,27,440) equity shares of ₹5 each, equivalent to 71.25% (previous year 71.25%) of the total number of subscribed & paid up equity shares, which is the only shareholder holding more than 5 % of total equity shares.

(iii) 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.

(iv) Disclosure of shareholding of promoters:

Shares held by Promoters at the end of the Year		As at March 31, 2024		As at March 31, 2023		% change during the year
Sr. No.	Promoter's Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sudhir Uttamlal Mehta (HUF)	Nil	-	200	0.00	-100%
2	Samir Uttamlal Mehta (HUF)	Nil	-	200	0.00	-100%
3	Sudhir Uttamlal Mehta	400	0.00	200	0.00	100%
4	Samir Uttamlal Mehta	400	0.00	200	0.00	100%
5	Anita Sudhir Mehta	200	0.00	200	0.00	-
6	Sapna Samir Mehta	200	0.00	200	0.00	-
7	Jinal Sudhir Mehta	200	0.00	200	0.00	-
8	Varun Sudhir Mehta	200	0.00	200	0.00	-
9	Shaan Mehta	200	0.00	200	0.00	-
10	Aman Mehta	200	0.00	200	0.00	-
11	Torrent Investments Private Limited	24,11,27,440	71.25	24,11,27,440	71.25	-
	Total	**24,11,29,440**	**71.25**	**24,11,29,440**	**71.25**	**-**

Notes forming part of the Standalone Financial Statements

18 Equity Share Capital (Continued)

(v) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes 16,92,22,720 equity shares allotted as fully paid up bonus shares.

19 Other Equity

(Refer Statement of Change in Equity for detailed movement in Other Equity)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Retained earnings	3,736.39	3,394.21
General reserve	2,848.33	2,812.62
Debenture redemption reserve	71.43	107.14
Capital reserve*	0.00	0.00
	6,656.15	**6,313.97**
Other comprehensive income		
Effective portion of cash flow hedges	10.03	(27.66)
Equity instruments through other comprehensive income	(6.65)	0.42
	3.38	**(27.24)**
	6,659.53	**6,286.73**

* Less than ₹1 Lakh

20 Borrowings

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured non-convertible debentures	642.42	785.03
Secured term loans from banks	961.36	1,346.75
Secured term loans from others	-	200.00
	1,603.78	**2,331.78**
Current		
Current maturities of long-term borrowings		
Secured non-convertible debentures	142.86	487.86
Secured term loans from banks	386.32	414.82
Secured term loans from others	-	133.33
	529.18	**1,036.01**
Working capital loans		
Secured loans from banks	850.00	997.77
Unsecured loans from banks	350.00	200.00
	1,200.00	**1,197.77**
	1,729.18	**2,233.78**
	3,332.96	**4,565.56**

Notes forming part of the Standalone Financial Statements

20 Borrowings (Continued)

(i) Term Loans from banks referred above to the extent of :

(a) ₹398.50 crores (Previous year ₹657.42 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹71.87 crores (Previous year ₹209.37 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) and Gangtok in Sikkim (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹145.00 crores (Previous year ₹145.00 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the company including its future line extensions.

(d) ₹732.31 crores (Previous year ₹749.78 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the company including its future line extensions.

(ii) Non-convertible debentures referred above to the extent of :

(a) ₹285.28 crores (Previous year ₹427.89 crores) are secured by first *pari-passu* mortgage/charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹ NIL (Previous year ₹345.00 crores) are secured by first *pari-passu* mortgage/ charge on tangible immovable and movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹500.00 crores (Previous year ₹500.00 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the company including its future line extensions.

(iii) Term Loans from others referred above to the extent of ₹ NIL (previous year ₹ 333.33 crores) are secured by first exclusive mortgage/ charge on identified Land situated at Shilaj-Thaltej, Ahmedabad as well as first *pari-passu* mortgage/ charge on certain identified trademarks of the Company including its future line extensions.

(iv) Secured working capital demand loans are secured by hypothecation of inventories and book debts.

(v) Term loans carry interest rate in the range of 7.65% to 9.60% (previous year: 6.52% to 9.60%), working capital loans carry interest rate in the range of 7.27% to 8.04% (previous year: 6.40% to 7.08%) and Non-convertible debentures carry interest rate in the range of 8.47% to 9.11% (previous year: 7.70% to 8.71%).

Notes forming part of the Standalone Financial Statements

20 Borrowings (Continued)

(vi) Maturity profile of term loans and non-convertible debentures including current maturities is as below:

(₹ in crores)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Amortised cost adjustment	Total	Repayment Terms
Term Loan	386.32	342.30	201.38	152.38	137.75	99.50	29.74	1.69	1,347.68	₹1,349.37 crores repayable in 105 quarterly installments
Non-convertible debentures	142.86	242.84	100.00	100.00	100.00	100.00	-	0.42	785.28	₹285.70 crores repayable in 2 annual installments ₹500.00 crores repayable in 5 annual installments
Total	**529.18**	**585.14**	**301.38**	**252.38**	**237.75**	**199.50**	**29.75**	**2.11**	**2,132.96**	

(vii) The Company has been sanctioned working capital limits from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

21 Lease Liabilities

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease Liabilities	7.29	6.87
	7.29	**6.87**
Current		
Lease Liabilities	3.95	3.04
	3.95	**3.04**
	11.24	**9.91**
Movement in Lease Liabilities:		
Balance at beginning of the year	9.91	4.10
Remeasurement of lease liabilities	-	(0.35)
Addition	5.88	10.29
Interest expenses on lease liabilities	0.99	0.50
Repayment	(5.15)	(4.76)
Foreign currency translation adjustments	(0.39)	0.13
Balance at the end of the year	**11.24**	**9.91**

Notes forming part of the Standalone Financial Statements

21 Lease Liabilities (Continued)

Amounts with respect to leases recognised in the statement of Profit and Loss and statement of Cash Flows:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in statement of Profit and Loss:		
Interest on lease liabilities (Refer note 32)	0.99	0.50
Depreciation of right-of-use assets (Refer note 33)	6.22	5.64
Expenses relating to short-term leases	10.43	9.30
Expenses relating to leases of low-value assets	0.66	0.80
Variable lease payments	14.48	15.50
Amounts recognised in statement of Cash Flows:		
In Financing activity		
Repayment of lease liabilities (Including Interest)	(5.15)	(4.76)
In Operating activity	(25.57)	(25.60)

Maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Due in year 0 to 1	4.68	3.95
Due in year 1 to 2	4.34	3.93
Due in year 3 to 5	3.60	3.36
	12.62	**11.24**

22 Provisions

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits		
Leave benefits (Refer note (ii))	117.21	102.66
Provision for sales returns (Refer note (i))	164.94	141.88
	282.15	**244.54**
Current		
Provision for employee benefits		
Leave benefits (Refer note (ii))	19.64	19.80
Provision for sales returns (Refer note (i))	151.10	130.83
	170.74	**150.63**
	452.89	**395.17**

Notes forming part of the Standalone Financial Statements

22 Provisions (Continued)

(i) Provision for sales returns :

The Company, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. The provision for sales return is made on the basis of historical experience, market conditions and specific contractual terms. The timing of outflow will depend on the shelf life expiry and time taken by the customer to return the goods.

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	272.71	218.55
Add: Provision made during the year	174.16	149.29
Less: Provision utilised during the year	(130.83)	(105.76)
Add: Recognised in business combination (Refer note 43)	-	10.63
Balance at the end of the year	**316.04**	**272.71**
Non-current	164.94	141.88
Current	151.10	130.83
Total	**316.04**	**272.71**

(ii) Provision for employee benefits

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosures of defined benefit plans refer note 39.

23 Income Taxes

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Charge / (credit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	335.20	274.20
For prior years	(13.53)	-
	321.67	**274.20**
Deferred tax:		
Deferred tax charge for current year	224.29	251.43
For prior years	13.53	-
	237.82	**251.43**
	559.49	**525.63**
(b) Charge / (credit) recognised in statement of other comprehensive income:		
Re-measurement of defined benefit plans	(0.23)	0.69
Fair valuation of equity instruments	3.79	(0.13)
Effective portion of changes in fair value of cash flow hedges (net)	(20.25)	38.14
	(16.69)	**38.70**

Notes forming part of the Standalone Financial Statements

23 Income Taxes (Continued)

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
(c) Reconciliation of Effective Tax Rate :		
Profit before income taxes	1,916.57	1,577.02
Enacted tax rate in India	34.94%	34.94%
Expected income tax expenses	**669.72**	**551.07**
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of deductions allowed under Income Tax	(119.69)	(55.83)
Effect of expenses not deductible in determining taxable profit	45.62	36.41
Tax impact on future transition to new tax regime	(44.58)	(20.01)
Deferred Tax on Asset Held for Sale	-	3.90
Others (net)	8.42	10.09
Adjusted income tax expenses	**559.49**	**525.63**
Effective Tax Rate	29.19%	33.33%

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(d) Deferred tax relates to:		
Deferred tax liabilities :		
Property, plant and equipment, goodwill and other intangible assets	1,055.80	1,014.15
Cash flow hedge reserve	5.39	-
Deferred tax assets :		
Provision for employee benefit expense	(46.69)	(41.65)
Valuation of inventories	(8.85)	(11.00)
MAT credit entitlement	(310.17)	(527.42)
Long Term Capial loss Carried forward	(7.68)	(7.68)
Cash flow hedge reserve	-	(14.86)
Others	(31.99)	(10.24)
Deferred tax liabilities / (assets) (net)	**655.81**	**401.30**

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised based on the approved business plan and projected profitability statement.

Notes forming part of the Standalone Financial Statements

23 Income Taxes (Continued)

(e) Movement of deferred tax liabilities / (assets) during the year:

(₹ in crores)

Year ended March 31, 2024	Opening balance as at April 1, 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance as at March 31, 2024
Deferred tax liabilities / (assets) in relation to:				
Property, plant and equipment, goodwill and other intangible assets	1,014.15	41.65	-	1,055.80
Cash flow hedge reserve	(14.86)	-	20.25	5.39
Provision for employee benefit expense	(41.65)	(5.27)	0.23	(46.69)
Valuation of inventories	(11.00)	2.15	-	(8.85)
MAT credit entitlement	(527.42)	217.25	-	(310.17)
Carry forward of Long Term Capital Losses	(7.68)	-	-	(7.68)
Others	(10.24)	(17.96)	(3.79)	(31.99)
Deferred tax liabilities / (assets) (net)	**401.30**	**237.82**	**16.69**	**655.81**

(₹ in crores)

Year ended March 31, 2023	Opening balance as at April 1, 2022	Addition on account of Business Combination	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance as at March 31, 2023
Deferred tax liabilities / (assets) in relation to:					
Property, plant and equipment, goodwill and other intangible assets	967.14	(2.63)	49.64	-	1,014.15
Cash flow hedge reserve	23.28	-	-	(38.14)	(14.86)
Provision for employee benefit expense	(41.09)	(2.38)	2.51	(0.69)	(41.65)
Valuation of inventories	(9.96)	-	(1.04)	-	(11.00)
Non Current Asset Held for Sale	(3.90)	-	3.90	-	-
MAT credit entitlement	(724.06)	-	196.64	-	(527.42)
Carry forward of Long Term Capital Losses	(7.73)	-	0.05	-	(7.68)
Others	(10.12)	-	(0.27)	0.13	(10.24)
Deferred tax liabilities / (assets) (net)	**193.56**	**(5.01)**	**251.43**	**(38.70)**	**401.30**

24 Trade Payables

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)	16.12	17.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	743.64	592.67
	759.76	**610.63**

Notes forming part of the Standalone Financial Statements

24 Trade Payables (Continued)

(i) Trade Payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023.

(₹ in crores)

As at March 31, 2024	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	13.38	2.51	0.01	0.01	0.21	16.12
(ii) Others	172.01	437.22	125.81	1.50	1.48	5.62	743.64
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**172.01**	**450.60**	**128.32**	**1.51**	**1.49**	**5.83**	**759.76**

(₹ in crores)

As at March 31, 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	13.24	4.26	0.09	0.07	0.30	17.96
(ii) Others	148.84	365.53	68.97	2.17	0.62	6.54	592.67
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**148.84**	**378.77**	**73.23**	**2.26**	**0.69**	**6.84**	**610.63**

(ii) Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under :

(₹ in crores)

			As at March 31, 2024	As at March 31, 2023
(a)	The principal amount and the interest due thereon remaining unpaid to supplier at the end of year (including Creditors for capital goods)			
	(i)	Principal amount due to micro and small enterprise	18.33	19.56
	(ii)	Interest due on above	-	-
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the year	77.31	14.28
	(ii)	Interest actually paid under Section 16 of the MSMED Act	0.08	0.07
(c)	Interest due and payable during the year, for all the delayed payments, as per the agreed terms		0.41	0.08
(d)	Total interest accrued during the year and remaining unpaid		0.41	0.08
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act		-	-

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

Notes forming part of the Standalone Financial Statements

25 Other Financial Liabilities

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-Current		
Creditors for capital goods	5.60	6.37
Security deposits	3.40	5.39
Derivative financial instruments	0.24	9.11
	9.24	**20.87**
Current		
Interest accrued but not due on borrowings	35.30	57.72
Creditors for capital goods (Refer note 24(ii))	19.54	44.17
Payables for employee benefits	113.53	110.06
Book overdraft	17.43	46.25
Derivative financial instruments	-	67.34
Unclaimed dividend	3.86	4.80
Other payables (includes unspent CSR obligation, etc.)	14.58	6.15
	204.24	**336.49**
	213.48	**357.36**

26 Other Liabilities

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-Current		
Deferred government grant	0.96	1.46
	0.96	**1.46**
Current		
Payables to statutory and other authorities	71.61	63.85
Trade advances (Refer note (i))	4.50	1.28
Deferred government grant	0.50	0.50
Other payables	13.92	8.95
	90.53	**74.58**
	91.49	**76.04**

(i) The company has recognised revenue of ₹0.34 crores (Previous year ₹41.58 crores) from the amounts included under trade advances at the beginning of the year.

Notes forming part of the Standalone Financial Statements

27 Revenue From Operations

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Sales		
In India	6,001.62	5,294.84
Outside India	2,367.97	2,251.92
	8,369.59	**7,546.76**
Other operating income		
Export benefits	38.25	24.38
Income from product registration dossiers	3.06	3.72
Compensation and settlement income	15.26	38.32
Government grant income	0.50	1.35
Production linked incentive income	84.16	57.48
Miscellaneous operating income	22.08	23.19
	163.31	**148.44**
	8,532.90	**7,695.20**
Reconciliation of revenue from operations with the contracted price :		
Contracted price	8,544.64	7,696.87
Adjustments :		
Discounts	(0.89)	(0.82)
Sales return	(174.16)	(149.29)
Sales	**8,369.59**	**7,546.76**
Add : Other operating income	163.31	148.44
Revenue from operations	**8,532.90**	**7,695.20**
Revenue disaggregation by geography :		
India	6,109.45	5,369.59
Outside India :		
USA	720.49	865.43
Germany	299.37	227.95
Brazil	456.57	397.61
Other countries	947.02	834.62
	8,532.90	**7,695.20**

Revenue from operations also includes contract manufacturing revenue of ₹ 532.07 crores and ₹ 481.68 crores for the year ended March 31, 2024 and March 31, 2023 respectively.

Notes forming part of the Standalone Financial Statements

28 Other Income

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	2.54	11.15
Net gain on sale of investments (including (loss)/gain on fair valuation ₹(0.13) crores and ₹ 0.14 crores for the year ended March 31, 2024 and March 31, 2023 respectively)	17.99	19.51
Net foreign exchange gain (including gain on hedging)	4.18	10.36
Dividend income	50.20	-
Gain on sale of property, plant & equipment and other intangible assets (net)	3.03	22.45
Other non-operating income	13.42	18.41
	91.36	**81.88**

29 Cost of Materials Consumed

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials	1,424.65	1,255.47
Packing materials	227.26	221.95
	1,651.91	**1,477.42**

30 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventory :		
Finished goods	462.98	558.62
Work-in-progress	116.47	177.59
Stock-in-trade	214.45	163.51
	793.90	**899.72**
Add : On account of business combination (Refer note 43)		
Stock-in-trade	-	22.62
	-	**22.62**
Less : Closing inventory :		
Finished goods	532.07	462.98
Work-in-progress	140.95	116.47
Stock-in-trade	189.49	214.45
	862.51	**793.90**
Changes in inventory	**(68.61)**	**128.44**

Notes forming part of the Standalone Financial Statements

31 Employee Benefits Expense

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	1,277.74	1,101.41
Contribution to provident and other funds	97.26	85.42
Gratuity expense (Refer note 39)	27.32	24.37
Staff welfare expenses	48.35	40.02
	1,450.67	**1,251.22**

32 Finance Costs

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense	301.12	295.98
Interest expense on lease liabilities	0.99	0.50
Other borrowing cost	0.93	1.20
	303.04	**297.68**

33 Depreciation and Amortisation Expense

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant & equipment	223.52	199.36
Amortisation of other intangible assets	531.31	467.34
Depreciation on right-of-use assets	6.22	5.64
	761.05	**672.34**

34 Other Expenses

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Selling, publicity and medical literature expenses	886.54	788.92
Power and fuel	143.43	153.21
Laboratory goods and testing expenses	112.30	123.91
Stores and spares consumed	101.52	92.49
Clinical research expense	21.33	29.71
Travelling, conveyance and vehicle expenses	150.12	116.25
Cost of outsourced manpower	72.30	50.90
Professional and legal fees	79.61	75.08
Allowance for expected credit loss (net)	3.92	0.35
Auditors remuneration and expenses (Refer note 37)	1.63	1.30
Commission to non-executive directors	2.85	3.40
Donation (Refer note 38)	50.67	29.85
Corporate social responsibility expenditure (Refer note 44)	32.90	26.73
General charges	402.03	347.30
	2,061.15	**1,839.40**

Notes forming part of the Standalone Financial Statements

35 Research and Development Expenses

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

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Material cost - Exhibit batches	34.25	38.23
Employee benefits expense		
Salaries, wages and bonus	135.11	132.84
Contribution to provident and other funds	12.75	12.48
Gratuity cost	3.56	3.66
Staff welfare expenses	3.12	3.06
	154.54	**152.04**
Other expenses		
Power and fuel	9.60	9.73
Stores and spares consumed	32.64	33.19
Laboratory goods and testing expenses	86.56	97.02
Travelling, conveyance and vehicle expenses	5.13	4.35
Clinical research expense	20.27	29.71
General charges	34.62	31.91
	188.82	**205.91**
	377.61	**396.18**

(b) Depreciation and amortisation includes ₹ 26.36 crores (previous year ₹ 25.79 crores) pertaining to property, plant and equipments and other intangible assets used for research and development purposes.

(c) Capital work-in-progress and advances for capital expenditure on research and development assets are as under:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Capital work-in-progress	11.77	10.96
Advances for capital expenditure	-	0.29
Total	**11.77**	**11.25**

36 Earnings Per Share

		Year ended March 31, 2024	Year ended March 31, 2023
The basic and diluted earnings per share (EPS) are:			
Net profit for the year (a)	(₹ in crores)	1,357.08	1,051.39
Weighted average number of equity shares (b)	(Nos.)	33,84,45,440	33,84,45,440
EPS (basic and diluted) (a) / (b)	₹	40.10	31.07
Face value per equity share	₹	5.00	5.00

37 Auditors Remuneration

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	As audit fees		
	Statutory audit fees	1.10	0.99
(b)	For quarterly limited reviews of subsidiaries financials	0.18	0.17
(c)	For other services	0.28	0.09
(d)	For reimbursement of expenses	0.07	0.05
		1.63	**1.30**

38 Donation includes Political Contributions as under

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Bharatiya Janata Party	25.00	15.00
Prudent Electoral Trust	7.50	-
Sikkim Krantikari Morcha	7.00	-
Sikkim Democratic Front	0.50	-
	40.00	**15.00**

39 Employee Benefits

A Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund aggregating to ₹ 96.08 crores (Previous year ₹ 84.31 crores) has been recognised in the statement of profit and loss under the head employee benefits expenses (Refer note 31).

B Defined Benefit Plan

The accruing liability on account of retirement benefit plans (in the nature of defined benefits plan) is accounted as per Ind-AS 19 "Employee Benefits".

General description of the plan :

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan ('the Gratuity Plan') covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death and incapacitation while in employment, termination of employment. The level of benefits provided depends on the respective employees' tenure of employment and last drawn salary. The Company manages the plan through a trust. Trustees administer contributions made to the trust. The defined benefit plan exposes the company to actuarial risks such as interest rate risk, investment risk and salary risk.

Notes forming part of the Standalone Financial Statements

39 Employee Benefits (Continued)

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation :**		
	Obligations at the beginning of the year	323.49	294.48
	Addition due to business combination	-	6.53
	Current service cost	27.93	25.42
	Interest cost	23.86	20.41
	Liability transferred in	0.05	-
	Liability transferred out	(0.01)	-
	Actuarial loss / (gain)	10.90	(0.30)
	Benefits paid directly by the employer	(1.03)	(1.34)
	Benefits paid from the fund	(21.99)	(21.71)
	Obligations at the end of the year	**363.20**	**323.49**
(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	329.40	300.75
	Addition due to business combination	-	1.10
	Interest income	24.40	20.77
	Return on plan assets, excluding interest income	11.58	(8.06)
	Contributions	33.61	36.55
	Benefits paid	(21.99)	(21.71)
	Plan assets at the end of the year, at fair value	**377.00**	**329.40**
	Actual return on plan assets	**35.98**	**12.71**
(c)	**Expense recognised in the statement of profit and loss for the year :**		
	Current service cost	27.93	25.42
	Net interest on net defined benefit liability	(0.54)	(0.36)
	Net gratuity cost *	**27.39**	**25.06**
(d)	**Losses/(Gains) recognised in other comprehensive income for the year :**		
	Actuarial losses/(gains)	10.90	(0.30)
	Return on plan assets, excluding interest income	(11.58)	8.06
		(0.68)	**7.76**
(e)	**Reconciliation of the present value of the defined benefit obligation and fair value of plan assets :**		
	Obligations at the end of the year	363.20	323.49
	Plan assets at the end of the year, at fair value	(377.00)	(329.40)
	(Asset)/Liability recognised in balance sheet	**(13.80)**	**(5.91)**
(f)	**Remeasurement of net defined benefit liability / (asset) :**		
	Actuarial losses from changes in demographic assumptions	-	0.57
	Actuarial gains from changes in financial assumptions	4.56	(9.73)
	Experience adjustments	6.34	8.86
	Remeasurement of defined benefit liability	**10.90**	**(0.30)**
	Remeasurement of return on plan assets	(11.58)	8.06
	Total	**(0.68)**	**7.76**
(g)	**Expected contribution for the next year**	17.23	15.57

*₹0.07 crores (previous year ₹0.69 crores) capitalised as pre-operative expenses out of above amount.

Notes forming part of the Standalone Financial Statements

39 Employee Benefits (Continued)

		Year ended March 31, 2024	Year ended March 31, 2023
(h)	**Assumptions :**		
	Discount rate	7.21%	7.41%
	Salary escalation rate	10.00%	10.00%
	Employee Turnover rate	10.00%	10.00%

		Year ended March 31, 2024	Year ended March 31, 2023
(i)	**Weighted average duration of defined benefit obligation**	8 years	8 years

Expected long term productivity gains and 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 2012-14 (Urban).

(j) Sensitivity Analysis for each significant actuarial assumption :

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Impact of increase in discount rate by 1%	(21.77)	(19.41)
Impact of decrease in discount rate by 1%	24.54	21.90
Impact of increase in salary escalation rate by 1%	23.65	21.10
Impact of decrease in salary escalation rate by 1%	(21.43)	(19.13)
Impact of increase in employee turnover rate by 1%	(4.08)	(3.39)
Impact of decrease in employee turnover rate by 1%	4.51	3.75

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(k) Investment details of plan assets :

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

	As at March 31, 2024	As at March 31, 2023
Equity instruments	8.88%	8.24%
Corporate bonds	37.19%	48.27%
Government securities	47.48%	29.98%
Other investments and net current assets	6.45%	13.51%

Notes forming part of the Standalone Financial Statements

39 Employee Benefits (Continued)

(l) Maturity profile :

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(₹ in crores)

	Undiscounted values
1st following year	38.69
2nd following year	35.67
3rd following year	38.76
4th following year	37.65
5th following year	30.91
Thereafter	160.21

(m) Asset-liability matching strategies :

The Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

40 Financial Instruments

(i) Financial assets and liabilities

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crores)

As at March 31, 2024	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets :					
Amortised cost :					
Cash and cash equivalents	104.86	-	-	-	-
Bank balances other than cash and cash equivalents	3.90	-	-	-	-
Trade receivables	1,571.94	-	-	-	-
Investments	0.01	-	-	-	-
Loans	5.56	-	-	-	-
Other financial assets	99.92	-	-	-	-
Fair value through other comprehensive income :					
Investment in equity instruments (Other than investment in subsidiaries)	31.87	0.08	-	31.79	31.87
Fair value through profit or loss :					
Investment in mutual funds	140.96	140.96	-	-	140.96
Derivative instruments:					
Designated as cash flow hedge	15.66	-	15.66	-	15.66
Fair value through profit and loss	13.09	-	13.09	-	13.09
Total	**1,987.77**	**141.04**	**28.75**	**31.79**	**201.58**

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

(₹ in crores)

As at March 31, 2024	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities :					
Amortised cost :					
Borrowings	3,332.96	-	-	-	-
Trade payables	759.76	-	-	-	-
Lease liabilities	11.24	-	-	-	-
Other financial liabilities	213.24	-	-	-	-
Derivative instruments:					
Designated as cash flow hedge	0.24	-	0.24	-	0.24
Total	**4,317.44**	**-**	**0.24**	**-**	**0.24**

(₹ in crores)

As at March 31, 2023	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets :					
Amortised cost :					
Cash and cash equivalents	85.40	-	-	-	-
Bank balances other than cash and cash equivalents	62.21	-	-	-	-
Trade receivables	1,729.44	-	-	-	-
Investments	0.01	-	-	-	-
Loans	4.21	-	-	-	-
Other financial assets	73.37	-	-	-	-
Fair value through other comprehensive income :					
Investment in equity instruments (Other than investment in subsidiaries)	42.72	0.03	-	42.69	42.72
Fair value through profit or loss :					
Investment in mutual funds	156.06	156.06	-	-	156.06
Total	**2,153.42**	**156.09**	**-**	**42.69**	**198.78**
Financial liabilities :					
Amortised cost :					
Borrowings	4,565.56	-	-	-	-
Trade payables	610.63	-	-	-	-
Lease liabilities	9.91	-	-	-	-
Other financial liabilities	280.91	-	-	-	-
Derivative instruments:					
Designated as cash flow hedge	42.52	-	42.52	-	42.52
Fair value through profit and loss	33.93	-	33.93	-	33.93
Total	**5,543.46**	**-**	**76.45**	**-**	**76.45**

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Investment in mutual funds : The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which such units are redeemed.

Equity investments : Equity investments traded in an active market are determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the expected discounted cash flows from the underlying net assets or current market value of net assets.

Derivative instruments: For forward contracts, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of respective counterparties.

Significant Techniques and Unobservable Inputs Used for Level 2 / Level 3 Fair Valuation Measurement:

As at March 31, 2024	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase by 5%	Decrease by 5%
Level 2				
Derivative financial instrument	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency	Not applicable	Not applicable	
Level 3				
Investment in equity instrument	Net asset value method	Equity value	Increase in asset by ₹ 1.13 crores	Decrease in asset by ₹ 1.13 crores

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Movement in level 3 valuations :		
Balance as at the beginning of the year	42.69	42.32
Fair value (loss)/gain recorded in Statement of Profit and loss	(10.90)	0.37
Balance at the end of the year	**31.79**	**42.69**

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

(ii) Derivative financial instruments

Cash flow hedges :

Derivatives are taken to cover foreign exchange risk of highly probable forecasted sales transactions occurring in foreign currencies. The following are outstanding derivative contracts designated as cash flow hedges :

Nature of derivative contracts	Buy / Sell	Deal Currency	Cross Currency	Weighted average rate		Net position (Amount in crores)		Fair value gain / (loss) (₹ in crores)	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Forward	Sell	USD	INR	85.49	83.58	31.24	30.43	17.89	(22.21)
Forward	Sell	EUR	USD	1.11	1.07	5.44	5.39	3.29	(14.11)
Forward	Sell	GBP	USD	1.25	1.22	0.79	0.83	(1.14)	(1.55)
Forward	Sell	MXN	USD	0.05	0.05	6.80	5.25	(2.39)	(2.72)
Forward	Sell	MYR	USD	0.22	0.22	4.79	3.48	1.02	(1.62)
Forward	Sell	RUB	USD	0.01	0.01	47.80	59.83	(3.29)	(0.26)
Forward	Sell	THB	USD	0.03	0.03	1.12	0.56	0.04	(0.05)
								15.42	**(42.52)**
Less : Deferred tax								5.39	(14.86)
Balance in cash flow hedge reserve								**10.03**	**(27.66)**

Maturity profile of nominal value based on the remaining period as at the Balance Sheet date :

(Amount in crores)

Currency	Nature of Derivative contracts	March 31, 2024		March 31, 2023	
		Within 1 Year	More than 1 year	Within 1 Year	More than 1 year
USD	Forward	15.18	16.06	15.32	15.11
EUR	Forward	3.44	2.00	3.44	1.95
GBP	Forward	0.29	0.50	0.32	0.50
MXN	Forward	3.20	3.60	2.95	2.30
MYR	Forward	2.41	2.39	1.50	1.98
RUB	Forward	47.80	-	53.17	6.67
THB	Forward	0.05	1.07	0.26	0.30

The movement of cash flow hedges in other comprehensive income is as follows:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	(27.66)	43.35
(Gains)/Losses reclassified to profit or loss	(13.18)	74.25
Deferred tax on (gains)/losses reclassified to profit or loss	4.61	(25.95)
Change in the fair value of effective portion of cash flow hedges	71.12	(183.40)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(24.86)	64.09
Balance at the end of the year	**10.03**	**(27.66)**

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to ₹Nil (Previous year ₹Nil).

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

Net foreign currency outstanding positions of recognised assets and liabilities are as under:

(Amount in crores)

Hedged item / nature of derivative contracts	Buy/Sell	Currency	Net Position under derivative contracts March 31, 2024	Net Position under derivative contracts March 31, 2023
1 **Foreign currency trade payables**				
Forward exchange contracts	Buy	USD	-	0.06
2 **Foreign currency receivables**				
Forward exchange contracts	Sell	USD	11.92	14.93
	Sell	EUR	1.35	0.93
	Sell	RUB	48.23	39.32
	Sell	GBP	0.34	0.27
	Sell	MXN	0.07	0.25
	Sell	MYR	0.90	0.86
	Sell	AUD	0.00	-
	Sell	THB	0.35	0.05

(iii) Financial risk management

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk :

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

(a1) Foreign currency exchange rate risk :

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimise the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables and future cash flows upto a maximum of 24 months forward based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1 based on management's current assessment. The Company enters into cross-currency swaps to hedge all foreign currency borrowings. Hedge effectiveness is assessed on a regular basis.

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

(₹ in crores)

As at March 31, 2024	US Dollar	Euro	Others*	Total
Assets :				
Cash and cash equivalents	0.04	-	7.32	7.36
Trade receivables	993.47	121.39	105.83	1,220.69
Other assets	13.92	1.02	0.16	15.10
Total	**1,007.43**	**122.41**	**113.31**	**1,243.15**
Liabilities :				
Trade payables	87.60	5.42	23.07	116.09
Other liabilities	4.82	0.81	0.89	6.52
Lease liabilities	-	-	1.49	1.49
Total	**92.42**	**6.23**	**25.45**	**124.10**
Net assets / (liabilities)	**915.01**	**116.18**	**87.86**	**1,119.05**

(₹ in crores)

As at March 31, 2023	US Dollar	Euro	Others*	Total
Assets :				
Cash and cash equivalents	0.10	-	4.07	4.17
Trade receivables	1,227.38	83.02	87.72	1,398.12
Other assets	15.03	2.25	0.04	17.32
Total	**1,242.51**	**85.27**	**91.83**	**1,419.61**
Liabilities :				
Trade payables	62.48	2.70	16.35	81.53
Other liabilities	2.11	2.10	4.98	9.19
Lease liabilities	-	-	0.10	0.10
Total	**64.59**	**4.80**	**21.43**	**90.82**
Net assets / (liabilities)	**1,177.92**	**80.47**	**70.40**	**1,328.79**

*Others mainly includes currencies namely British Pound, Mexican Peso, Russian Rouble.

With respect to the Company's derivative financial instruments which are in the form of forward contracts, a 5% increase / decrease in relation to USD & EURO of each of the currencies underlying such contracts would have resulted in increase / decrease of ₹ 85.23 crores and ₹ 89.31 crores in the Company's pre-tax profit or loss and ₹ 148.03 crores and ₹ 143.62 crores in pre-tax cash flow hedge reserve from such contracts as at March 31, 2024 and March 31, 2023 respectively.

With respect to the Company's non-derivative financial instruments (as given above), a 5% increase / decrease in relation to USD & EURO on the underlying would have resulted in increase / decrease of ₹ 51.56 crores and ₹ 62.92 crores in the company's net profit for the year ended March 31, 2024 and March 31, 2023 respectively.

(a2) Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of foreign currency borrowings and rupee borrowings. The company manages its interest rate risk by closely monitoring the movements in the market interest rates.

As at March 31, 2024, the Company has outstanding rupee borrowings of ₹ 2,935.08 crores with variable rate of interest and ₹ 400.00 crores with fixed rate of interest.

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

Cash flow risk in respect of variable rate instruments :

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increase/ (decrease) pre-tax profit or loss and pre-tax equity by ₹ 29.35 crores. This analysis assumes that all other variables remains constant and change occurs on reporting date. The year end balances are not representative of the average borrowings during the year.

Fair value risk in respect of fixed rate instruments :

The Company carries borrowings at amortised cost and hence, change in the interest rate at reporting date does not affect statement of profit and loss.

(b) Credit risk :

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of the direct risk of default, the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses. Refer note 15 for movement in expected credit loss and trade receivables aging.

The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10 % of outstanding accounts receivable (excluding outstanding from subsidiaries) as at March 31, 2024 and March 31, 2023.

With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counter parties depending on their Composite Performance Rankings (CPR) published by CRISIL. Bank deposits are placed with banks with high credit rating. The Company's investment policy lays down guidelines with respect to exposure per counterparty, credit rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible.

With respect to derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1,985.41 crores and ₹ 2,151.14 crores as at March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments, and these financial assets are of good credit quality including those that are past due.

Notes forming part of the Standalone Financial Statements

40 Financial Instruments (Continued)

(c) Liquidity risk :

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in crores)

As at March 31, 2024	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	759.76	-	-	-	759.76
Borrowings*	1,729.18	585.14	791.51	229.25	3,335.08
Other financial liabilities					
Derivative financial liabilities	-	0.24	-	-	0.24
Others	204.24	9.00	-	-	213.24
Lease liabilities	3.95	3.93	3.36	-	11.24
Total	**2,697.13**	**598.31**	**794.87**	**229.25**	**4,319.56**

*Excluding amortised cost adjustment of ₹ 2.12 crores.

(₹ in crores)

As at March 31, 2023	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	610.63	-	-	-	610.63
Borrowings*	2,233.78	662.51	1,205.56	467.00	4,568.85
Other financial liabilities					
Derivative financial liabilities	67.34	9.11	-	-	76.45
Others	269.15	11.76	-	-	280.91
Lease liabilities	3.04	2.58	4.28	-	9.91
Total	**3,183.94**	**685.96**	**1,209.84**	**467.00**	**5,546.75**

*Excluding amortised cost adjustment of ₹ 3.29 crores.

(iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximise shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company. The net debt to equity ratio as at March 31, 2024 stands at 0.49 (Previous year 0.71).

Notes forming part of the Standalone Financial Statements

41 Related Party Disclosures

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

(₹ in crores)

	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(a) Nature of Transactions	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Sale of finished goods	**-**	**-**	**1,868.52**	**1,789.92**	**-**	**-**	**-**	**-**	**1,868.52**	**1,789.92**
Torrent Pharma Inc.	-	-	686.10	812.90	-	-	-	-	686.10	812.90
Torrent Do Brasil Ltda.	-	-	448.19	392.19	-	-	-	-	448.19	392.19
Heumann Pharma GmbH & Co. Generica KG	-	-	244.72	170.29	-	-	-	-	244.72	170.29
Zao Torrent Pharma	-	-	133.21	118.75	-	-	-	-	133.21	118.75
Torrent Pharma Philippines Inc.	-	-	106.64	86.82	-	-	-	-	106.64	86.82
Laboratories Torrent (Malaysia) SDN BHD	-	-	69.54	75.57	-	-	-	-	69.54	75.57
Laboratorios Torrent S.A. de C.V.	-	-	69.37	26.51	-	-	-	-	69.37	26.51
Torrent Pharma (UK) Ltd.	-	-	58.68	51.57	-	-	-	-	58.68	51.57
Heunet Pharma GmbH	-	-	49.84	55.05	-	-	-	-	49.84	55.05
Curatio Inc., Philippines	-	-	1.20	-	-	-	-	-	1.20	-
Torrent Pharma (Thailand) Co., Ltd.	-	-	1.03	0.27	-	-	-	-	1.03	0.27
Purchase of material, consumables etc. (net of returns)	**-**	**-**	**0.11**	**2.83**	**-**	**-**	**-**	**-**	**0.11**	**2.83**
Torrent Pharma GmbH	-	-	0.11	2.83	-	-	-	-	0.11	2.83
Remuneration to key management personnel / independent directors	**-**	**-**	**-**	**-**	**43.99**	**35.27**	**-**	**-**	**43.99**	**35.27**
Samir Mehta	-	-	-	-	26.00	23.00	-	-	26.00	23.00
Aman Mehta	-	-	-	-	6.59	2.06	-	-	6.59	2.06
Jinesh Shah	-	-	-	-	7.71	5.88	-	-	7.71	5.88
Independent Directors	-	-	-	-	3.69	4.33	-	-	3.69	4.33
Remuneration	**-**	**-**	**-**	**-**	**-**	**-**	**0.13**	**1.68**	**0.13**	**1.68**
Aman Mehta	-	-	-	-	-	-	-	1.68	-	1.68
Shaan Mehta	-	-	-	-	-	-	0.13	-	0.13	-
Contribution to gratuity / superannuation trust	**-**	**-**	**-**	**-**	**-**	**-**	**55.10**	**55.23**	**55.10**	**55.23**
TPL Employees Group Gratuity Trust	-	-	-	-	-	-	34.50	36.50	34.50	36.50
TPL Employees Superannuation Trust	-	-	-	-	-	-	20.60	18.73	20.60	18.73
Advance given to/ (returned by) gratuity trust	**-**	**-**	**-**	**-**	**-**	**-**	**(0.16)**	**-**	**(0.16)**	**-**
TPL Employees Group Gratuity Trust	-	-	-	-	-	-	(0.16)	-	(0.16)	-

Notes forming part of the Standalone Financial Statements

41 Related Party Disclosures (Continued)

(₹ in crores)

	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(a) Nature of Transactions	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Lease rent paid	**0.02**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**	**0.02**
Torrent Investments Private Limited	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Services received	**-**	**-**	**1.33**	**0.78**	**-**	**-**	**-**	**-**	**1.33**	**0.78**
Torrent Pharma GmbH	-	-	0.14	0.22	-	-	-	-	0.14	0.22
Heumann Pharma GmbH & Co. Generica KG	-	-	0.57	-	-	-	-	-	0.57	-
Torrent Australasia Pty Limited	-	-	0.62	0.56	-	-	-	-	0.62	0.56
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**6.06**	**7.00**	**6.06**	**7.00**
UNM Foundation	-	-	-	-	-	-	6.06	7.00	6.06	7.00
CSR expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**19.90**	**24.96**	**19.90**	**24.96**
UNM Foundation	-	-	-	-	-	-	19.90	24.96	19.90	24.96
Expenses reimbursement	**-**	**-**	**4.22**	**(0.99)**	**-**	**-**	**-**	**-**	**4.22**	**(0.99)**
Torrent Pharma Inc.	-	-	-	(3.56)	-	-	-	-	-	(3.56)
Zao Torrent Pharma	-	-	0.53	0.64	-	-	-	-	0.53	0.64
Torrent Australasia Pty Limited	-	-	2.75	1.93	-	-	-	-	2.75	1.93
Torrent Pharma (Thailand) Co Ltd	-	-	0.94	-	-	-	-	-	0.94	-
Purchase of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.96**	**-**	**0.96**
Torrent Electricals Private Limited	-	-	-	-	-	-	-	0.96	-	0.96
Purchase of Intangible Assets	**-**	**-**	**-**	**44.92**	**-**	**-**	**-**	**-**	**-**	**44.92**
Torrent Pharma Inc.	-	-	-	44.92	-	-	-	-	-	44.92
Sale of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**153.53**	**-**	**153.53**
Torrent Gas Limited[4]	-	-	-	-	-	-	-	149.18	-	149.18
UNM Foundation	-	-	-	-	-	-	-	4.35	-	4.35
Equity contribution	**-**	**-**	**128.04**	**21.09**	**-**	**-**	**-**	**-**	**128.04**	**21.09**
Torrent Pharma (Thailand) Co.Ltd.	-	-	5.93	-	-	-	-	-	5.93	-
TPL (Malta) Limited	-	-	112.99	21.09	-	-	-	-	112.99	21.09
Farmaceutica Torrent Colombia SAS	-	-	9.12	-	-	-	-	-	9.12	-
Recovery of expenses	**-**	**-**	**-**	**3.44**	**-**	**-**	**0.09**	**0.07**	**0.09**	**3.51**
Torrent Pharma Inc.	-	-	-	3.44	-	-	-	-	-	3.44
Torrent Diagnostics Private Limited	-	-	-	-	-	-	0.09	0.07	0.09	0.07
Dividend received	**-**	**-**	**50.19**	**-**	**-**	**-**	**-**	**-**	**50.19**	**-**
Torrent Pharma GmbH	-	-	50.19	-	-	-	-	-	50.19	-

Notes forming part of the Standalone Financial Statements

41 Related Party Disclosures (Continued)

(₹ in crores)

	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(a) Nature of Transactions	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Transfer of Gratuity & leave balance of employees transferred (in)/out (net)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.09)**	**-**	**(0.09)**	**-**
Torrent Diagnostics Private Limited	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Gas Limited	-	-	-	-	-	-	(0.10)	-	(0.10)	-
Guarantee commission income	**-**	**-**	**10.63**	**11.12**	**-**	**-**	**-**	**-**	**10.63**	**11.12**
Torrent Pharma Inc.	-	-	10.26	10.76	-	-	-	-	10.26	10.76
Torrent Pharma Philippines Inc.	-	-	0.37	0.36	-	-	-	-	0.37	0.36

(₹ in crores)

	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(b) Balances at the end of the year	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade receivables	**-**	**-**	**1,081.96**	**1,285.84**	**-**	**-**	**-**	**-**	**1,081.96**	**1,285.84**
Torrent Pharma Inc.	-	-	575.09	835.11	-	-	-	-	575.09	835.11
Torrent Do Brasil Ltda.	-	-	272.83	282.45	-	-	-	-	272.83	282.45
Torrent Pharma Philippines Inc.	-	-	51.91	40.85	-	-	-	-	51.91	40.85
Heumann Pharma GmbH & Co. Generica KG	-	-	63.93	29.68	-	-	-	-	63.93	29.68
Heunet Pharma GmbH	-	-	11.75	10.55	-	-	-	-	11.75	10.55
Zao Torrent Pharma	-	-	44.17	41.93	-	-	-	-	44.17	41.93
Laboratorios Torrent S.A. de C.V.	-	-	9.13	1.14	-	-	-	-	9.13	1.14
Laboratories Torrent(Malaysia) SDN BHD	-	-	15.91	16.08	-	-	-	-	15.91	16.08
Torrent Pharma (UK) Ltd.	-	-	35.72	27.93	-	-	-	-	35.72	27.93
Torrent Pharma (Thailand) Limited	-	-	0.81	0.12	-	-	-	-	0.81	0.12
Curatio Inc., Philippines	-	-	0.54	-	-	-	-	-	0.54	-
Torrent International Lanka (Pvt) Ltd	-	-	0.17	-	-	-	-	-	0.17	-
Other receivables	**-**	**-**	**-**	**-**	**-**	**-**	**0.95**	**-**	**0.95**	**-**
UNM Foundation	-	-	-	-	-	-	0.95	-	0.95	-
Investments in equities	**-**	**-**	**337.19**	**209.14**	**-**	**-**	**0.05**	**0.05**	**337.24**	**209.19**
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[1]	-	-	58.80	58.80	-	-	-	-	58.80	58.80
UNM Foundation	-	-	-	-	-	-	0.05	0.05	0.05	0.05

Notes forming part of the Standalone Financial Statements

41 Related Party Disclosures (Continued)

(₹ in crores)

	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(b) Balances at the end of the year	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Torrent International Lanka (Pvt) Ltd[2]	-	-	8.43	8.43	-	-	-	-	8.43	8.43
Curatio Inc., Philippines[2]	-	-	15.21	15.21	-	-	-	-	15.21	15.21
Torrent Pharma Inc.	-	-	4.99	4.99	-	-	-	-	4.99	4.99
Torrent Pharma Philippines Inc.	-	-	4.75	4.75	-	-	-	-	4.75	4.75
Torrent Pharma (Thailand) Co.Ltd.	-	-	8.04	2.10	-	-	-	-	8.04	2.10
Torrent Pharma (UK) Ltd.	-	-	1.68	1.68	-	-	-	-	1.68	1.68
TPL (Malta) Limited	-	-	142.63	29.64	-	-	-	-	142.63	29.64
Farmaceutica Torrent Colombia SAS	-	-	9.12	-	-	-	-	-	9.12	-
Torrent Australasia Pty Limited	-	-	0.30	0.30	-	-	-	-	0.30	0.30
Laboratories Torrent(Malaysia) SDN BHD	-	-	0.77	0.77	-	-	-	-	0.77	0.77
Trade payables	**-**	**-**	**6.20**	**6.33**	**-**	**-**	**0.10**	**-**	**6.30**	**6.33**
Torrent Pharma GmbH	-	-	0.07	0.10	-	-	-	-	0.07	0.10
Zao Torrent Pharma	-	-	5.32	5.64	-	-	-	-	5.32	5.64
Torrent Gas Limited	-	-	-	-	-	-	0.10	-	0.10	-
Torrent Pharma (Thailand) Co.Ltd.	-	-	0.52	-	-	-	-	-	0.52	-
Torrent Australasia Pty Limited	-	-	0.29	0.59	-	-	-	-	0.29	0.59
Other payables	**-**	**-**	**-**	**-**	**28.41**	**26.04**	**-**	**-**	**28.41**	**26.04**
Samir Mehta	-	-	-	-	26.00	23.00	-	-	26.00	23.00
Independent Directors	-	-	-	-	2.41	3.04	-	-	2.41	3.04
Advances to group gratuity trust	**-**	**-**	**-**	**-**	**-**	**-**	**0.05**	**0.21**	**0.05**	**0.21**
TPL Employees Group Gratuity Trust	-	-	-	-	-	-	0.05	0.21	0.05	0.21
Commitments for Uncalled liability on partly paid shares	**-**	**-**	**3.20**	**3.25**	**-**	**-**	**-**	**-**	**3.20**	**3.25**
Torrent Australasia Pty Ltd.	-	-	3.20	3.25	-	-	-	-	3.20	3.25
Guarantees given[3]	**-**	**-**	**875.43**	**863.28**	**-**	**-**	**-**	**-**	**875.43**	**863.28**
Torrent Pharma Inc.	-	-	842.08	830.39	-	-	-	-	842.08	830.39
Torrent Pharma Phillipines Inc.	-	-	33.35	32.89	-	-	-	-	33.35	32.89

[1] Provision for impairment in value of investment of ₹ 23.08 crores (Previous year ₹ 23.08 crores).

[2] Investment in equity is fully provided for impairment amounting to ₹ 23.64 crores (Previous year ₹ 23.64 crores).

[3] Net Guarantees given / (withdrawal) (including exchange rate variation) for 2023-24 ₹ 12.15 crores (Previous Year ₹ 67.30 crores) in respect of subsidiaries.

[4] Sale of property, plant and equipment which was earlier classified as held for sale.

Transactions with related parties do not include transactions with Torrent Power Limited (fellow subsidiary), being a public utility engaged in distribution of electricity. Transactions entered with Torrent Power Limited are in nature of purchase of electricity and other related transactions and the tariff charges are determined by an independent regulatory authority.

Notes forming part of the Standalone Financial Statements

41 Related Party Disclosures (Continued)

Name of related parties having transactions and/or balances :

1	Holding Company	Torrent Investments Private Limited
2	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
		Laboratorios Torrent, S.A. De C.V.
		Heunet Pharma GmbH
		Torrent Pharma (Thailand) Co., Ltd.
		Torrent Pharma (UK) Ltd
		Laboratories Torrent (Malaysia) SDN.BHD.
		TPL (Malta) Ltd.
		Torrent Pharma (Malta) Ltd
		Torrent International Lanka (Pvt) Ltd (Formerly known as Curatio International Lanka (Private) Ltd), Sri Lanka (with effect from October 14, 2022)
		Curatio Inc., Philippines (with effect from October 14, 2022)
		Farmaceutica Torrent Colombia SAS (with effect from January 3, 2024)
3	Key Management Personnel / Independent Directors	Samir Mehta
		Aman Mehta (with effect from August 1, 2022)
		Jinesh Shah
		Shailesh Haribhakti
		Haigreve Khaitan
		Ameera Shah
		Dr. Maurice Chagnaud (with effect from May 11, 2022)
		Manish Choksi (with effect from July 29, 2022)
		Nikhil Khattau (with effect from October 1, 2023)
		Nayantara Bali
4	Other related parties	Shaan Mehta (with effect from December 1, 2023)
		Aman Mehta (Upto July 31, 2022)
		TPL Employees Group Gratuity Trust
		TPL Employees Superannuation Trust
		UNM Foundation
		Torrent Electricals Private Limited (Formerly known as TCL Cables Private Limited)
		Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)
		Torrent Diagnostics Private Limited

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on an arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Notes forming part of the Standalone Financial Statements

41 Related Party Disclosures (Continued)

(c) Remuneration to Key Management Personnel / Independent Directors :

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Short term employee benefits*	43.55	35.27
Post-employment benefits	0.44	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	43.99	**35.27**

*Includes remuneration to Non-executive directors amounting to ₹ 3.69 crores (Previous year ₹ 4.33 crores)

Post-employment benefits for the year ended March 31, 2024 comprises of Gratuity and leave encashment provisions derived based on expenses recognised in statement of profit and loss that is attributable to Key management personnel (KMP). Such benefits are payable at the time of cessation of the employment and hence is not added to the payable balances of the KMPs.

42 Commitments and Contingencies

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
Commitments:			
(a)	Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for	359.33	431.59
(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))	3.20	3.25
		362.53	**434.84**
(c)	Guarantees of ₹ 875.43 crores and ₹ 863.28 crores are outstanding as at March 31, 2024 and March 31, 2023 respectively, which were issued to third parties on behalf of wholly owned subsidiaries for contractual obligations.		
Contingent liabilities:			
(a)	Claims against the Company not acknowledged as debts :		
	Disputed demand of Income tax	1.60	1.60
	Disputed Employee state insurance contribution liability under E.S.I. Act, 1948	16.76	16.08
	Disputed demand of Goods and Services tax / excise duty	128.89	121.95
	Disputed demand of local sales tax and C.S.T.	0.24	0.24
	Disputed demand of stamp duty and registration charges	3.43	3.43
	Disputed cases at labour court / industrial court	6.27	7.28
	Disputed Bonus liability under Payment of Bonus (Amendment) Act, 2015	0.25	0.25
		157.44	**150.83**

In most of the cases, the relevant authorities have raised demand or disallowed tax claims. The Company has preferred appeals and the outcome are awaited.

Against the claims not acknowledged as debts, the Company has paid ₹ 3.94 crores (previous year ₹ 3.96 crores). The expected outflow will be determined at the time of final outcome of the concerned matters. No amount is expected to be reimbursed.

(b) The Company and/or its subsidiaries ('Torrent') are involved in certain legal proceedings, including product liability matters wherein there are two Multi-District Litigations ('MDL') pending against Torrent and other manufacturers for Valsartan and Losartan in which the district court in the valsartan MDL has ordered bellwether trial in third-party payor economic loss class

Notes forming part of the Standalone Financial Statements

42 Commitments and Contingencies (Continued)

action against Torrent and other two defendants, and other commercial matters, that arise from time to time in the ordinary course of business. It is difficult to ascertain the financial effect, if any, of such proceedings that will result from its ultimate disposition due to involvement of complex issues with substantial uncertainties and without any precedents. Additionally, many factors like stage of the proceedings, overall length and extent of discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation; uncertainty in timing of litigation and any other factors that may have an implication on the ultimate outcome of the ongoing litigations. The Company assesses likely outcome based on internal assessment as well as considers views of legal counsel representing the Company. Moreover, Company carries product liability insurance policy of amount which it believes to be sufficient for its needs.

(c) In view of amendment in Section 37(1) of Income Tax Act, 1961 introduced in Finance Act, 2022, it is possible that the Company may get involved in the litigation on allowability of certain expenses in relation to the years for which assessment proceedings have not commenced. It is difficult to ascertain the financial effects from such future proceedings, if any, that will result in to its ultimate disposition. The Company assesses likely outcome based on internal assessment as well as considers views of external consultants representing the Company.

43 Acquisition and Amalgamation Of Curatio Health Care (I) Private Limited

During the previous year, the Company acquired 100% shares in Curatio Health Care (I) Private Limited ('Curatio') including its two subsidiaries for a consideration of ₹ 2,000 crores on October 14, 2022.

The Board of Directors of the Company, at its meeting held on December 21, 2022, had approved the Scheme of Arrangement in the nature of Amalgamation ('Scheme') of Curatio with the Company subject to requisite statutory and regulatory approvals. The scheme was approved by the National Company Law Tribunal ('NCLT'), Ahmedabad Bench vide its order dated May 17, 2023 and the certified copy of said order was filed with Registrar of Companies on May 25, 2023. The management determined this as a subsequent adjusting event in accordance with Ind AS 10 and hence, the financial statements for the year ended March 31, 2023 reflects the financial information of Curatio from the date of its acquisition, i.e. October 14, 2022. This business combination offers the company an opportunity to enhance its presence in dermatology segment with a portfolio of over 50 brands, marketed in India.

Identifiable assets acquired and liabilities assumed

The Company had accounted for the transaction in accordance with Ind AS 103, "Business Combinations", and fair value of identifiable assets aquired and liabilities assumed pertaining to Curatio as at appointed date pertaining to curatio had been recognised in the standalone financial statements of the company based on purchase price allocation as determined by an independent valuer.

The following table summarises the recognised amounts of identifiable assets acquired and liabilities assumed at the date of acquisition.

(₹ in crores)

	As at October 14, 2022
Property, plant and equipment	1.46
Intangible assets	
Brands/Trademarks	1,799.50
Non-compete fees	31.10
Computer Software	0.07
Other Financial Assets - Non-Current	0.17
Non-current Tax assets	5.69
Deferred tax assets	5.01

Notes forming part of the Standalone Financial Statements

43 Acquisition and Amalgamation Of Curatio Health Care (I) Private Limited (Continued)

(₹ in crores)

	As at October 14, 2022
Other non-current assets	0.01
Current Assets	
Cash and Cash Equivalent	58.32
Other current assets	102.07
Total Assets	**2,003.40**
Non-current liabilities	11.69
Current liabilities	71.31
Total Liabilities	**83.00**
Net Asset Acquired	**1,920.40**

Goodwill arising from the acquisition had been recognised as follows:

(₹ in crores)

	As at October 14, 2022
Purchase consideration (paid in cash)	2,000.00
Fair value of identified net assets on acquisition date	1,920.40
Goodwill (non-deductible for tax purpose)*	**79.60**

* Goodwill represents value of acquisition synergies.

Measurement of fair values

Fair value of identifiable intangible assets acquired had been determined by an independent valuer. Fair value of other assets, including receivables, had been considered same as the carrying value of these assets as of the acquisition date in the books of Curatio.

Revenues and Profit or Loss of Acquiree entity

The revenue of Curatio from October 14, 2022 to March 31, 2023 is ₹ 126.35 crores with Profit before Tax of ₹ 36.00 crores.

Revenues and Profit or Loss of combined entity

Assuming the business combination had occurred from the beginning of reporting period i.e. April 1, 2022, the combined revenue of the Company would be ₹ 7,834.79 crores with Profit before Tax of ₹ 1,477.84 crores.

44 Corporate Social Responsibility (CSR) Expenditure

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	Gross amount required to be spent by the Company	29.65	26.14
(b)	Amount approved by the Board to be spent during the year	32.90	26.20
(c)	Amount spent during the year on		
	(i) Construction / acquisition of any asset	-	-
	(ii) Purposes other than (i) above	21.60	26.20
		21.60	**26.20**
(d)	Shortfall at the end of the year	11.30	-
(e)	Total of previous year shortfall	-	-
(f)	Reason for shortfall	As per note (1)	Not Applicable
(g)	Contribution to section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure	19.90	24.96

Notes forming part of the Standalone Financial Statements

44 Corporate social responsibility (CSR) expenditure (Continued)

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(h)	Nature of CSR activities	Community Healthcare, Sanitation & Hygiene, Social Care and Concern, Education and Knowledge Enhancement	

Note: (1) Unspent amount as at March 31, 2024 is ₹ 11.30 crores (March 31, 2023 ₹ 21.43 crores) has been transferred to special bank account specified under section 135 (6) of the Companies Act, 2013 for ongoing projects.

45 Relationship with Struck off Companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956:

(₹ in crores)

Name of struck off Company (Nature of transactions with struck-off company)	Relationship with struck off company	Year ended March 31, 2024	Year ended March 31, 2023
Cab on Arrival Private Limited (Services availed)	Not related	-	0.01
Best Value Hotels Private Limited* (Services availed)	Not related	0.00	0.00
HNI Leisure World Private Limited (Services availed)	Not related	-	0.02
Medknow Publications & Media Private Limited* (Services availed)	Not related	-	0.00
Dhanvanthri Pharma Distributors Private Limited (Sale of goods)	Not related	0.02	-
Manilal Patel Private Limited* (Subscription to equity shares)	Not related	0.00	-

*Less than ₹1 Lakh

46 Non-Current Assets Held for Sale

During the previous year, the company disposed off its Land at Shilaj, Ahmedabad which was classified as Non-current asset held for sale as at March 31, 2022 and recognised gain of ₹22.53 crores.

47 Registration of Charges

All the charges created or satisfied during the current year and previous year were registered with Registrar of Companies within statutory period.

48 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) other than in the ordinary course of business with its subsidiary companies. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Standalone Financial Statements

49 Proposed Dividend

The Board of Directors of the Company, in its meeting held on May 24, 2024, has proposed a final dividend of ₹6 per equity share for the financial year ended March 31, 2024. The proposal is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹203.07 crores.

50 The financial statements for the year ended March 31, 2024 were approved for issue by the Board of Directors on May 24, 2024.

51 Analytical ratios for the year ended March 31, 2024 and March 31, 2023.

Sr. No	Ratios	Note	Year ended March 31, 2024	Year ended March 31, 2023	Variance
(a)	Current ratio : Current assets / Current liabilities		1.25	1.15	8.7%
(b)	Debt equity ratio : Total debt / Net worth Total debt: Long term borrowings (incl. current maturities of long term borrowings) + Short term borrowings Net worth: Equity share capital + Other equity	1	0.49	0.71	-31.0%
(c)	Debt service coverage ratio : (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease) / (Interest on debt and lease + Principal repayments of long term debt including lease payment)		1.72	1.78	-3.5%
(d)	Return on equity ratio : Net profit after taxes / Average shareholder's equity		0.20	0.16	24.4%
(e)	Inventory turnover ratio : Net sales / Average Inventories		5.28	4.44	19.0%
(f)	Trade receivables turnover ratio : Net sales / Average trade receivables		5.07	4.61	9.9%
(g)	Trade payables turnover ratio : Net sales / Average trade payables		12.21	12.22	-0.1%
(h)	Net capital turnover ratio : Net Sales / Working Capital		11.12	14.57	-23.7%
(i)	Net profit ratio: Net Profit / Net Sales		16.2%	13.9%	16.4%
(j)	Return on capital employed : Earning before interest and taxes / Capital Employed	2	24.8%	19.1%	29.8%
(k)	Return on investment : Income from mutual fund / Average investment	3	7.26%	5.74%	26.3%

Notes:

1 Debt equity ratio has improved on account of repayments of Long term debt.

2 Return on capital employed improvement is on account of better operational performance and repayments of Long term debt.

3 The improvement in the ratio is mainly due to higher yields on the investment of the surplus funds.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Independent Auditor's Report

To the Members of

Torrent Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Torrent Pharmaceuticals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

Impairment testing of goodwill

See Note 4.9.2, 8 and 9 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group tests goodwill for impairment annually, or more frequently when there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. We identified the annual impairment assessment of goodwill as a key audit matter because the assessment process is complex and judgemental by nature and is based on assumptions on: • projected future cash flows • expected growth rate and profitability; • discount rate; • perpetuity value based on long term growth rate.	Our procedures included the following: • Testing operating effectiveness of controls over determination of the recoverable amounts of cash generating units. Cash generating units for this purpose are those to which the goodwill is allocated; • Evaluating the model used in determining the recoverable value of the cash generating units; • Assessing the reasonableness of prior period cash flow forecasts of the Group by reference to actual performance to assess forecast accuracy; • Challenging the significant assumptions and judgements used in impairment analysis such as forecast revenue, margins, long term growth and discount rates in comparison to economic and industry forecasts with the assistance of our valuations specialist; • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates, future gross margins, and the discount rate used in determining the recoverable value. • Evaluating the adequacy of disclosures, including disclosures of key assumptions, judgements and sensitivities.

Revenue Recognition

See Note 4.13 and 27 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group distributes its products in several geographies through commercial arrangement prevalent in those geographies. These arrangements involve granting of various considerations such as discounts, rebates, chargebacks, sales return and other similar allowances. One of the key estimate of the Group is recognition and measurement of accrual of these deductions. The estimation is dependent on various internal and external factors. These factors include, for example, the length of time when a sale is made and when the sales return takes place, arrangements with varying terms which are based on annual contracts or shorter-term arrangements, etc., some of which are beyond the control of the Company. In addition, the value and timing of discounts, rebates, chargebacks and other similar allowances for products vary from period to period, and the activity spans beyond the year end. Accuracy of revenues may deviate on account of change in judgements and estimates. Accordingly, the evaluation of accrual for discounts, rebates, chargebacks, sales returns and other similar allowances has been considered as a key audit matter.	Our audit procedures included following: • Assessing the Group's accounting policies for discounts, rebates, chargebacks, sales return and other allowances by comparing with applicable accounting standards. • Testing the design, implementation and operating effectiveness of key controls over the development of assumption of expected sales returns based on experience and computation of discounts, rebates, chargebacks and similar allowances and their accruals. • Testing samples relating to discounts, rebates, chargebacks, sales returns and other allowances recorded during the year and comparing to the actual payments made or credit notes generated towards these items. Further, performed procedures to test the accruals made for the year end on a test basis and compared with the relevant source documents. • Checking completeness and accuracy of the data used by the Group for accrual of discounts, rebates, chargebacks, sales return and other similar allowances and also checking the accrual for a selected sample of sales. • Comparing the assumptions to current trends of discounts, rebates, chargebacks, sales returns and other allowances. We have also examined the historical and current trends of the Group's estimates. The examination was to assess the assumptions and judgements used by the Group in accrual of discounts, rebates, chargebacks, sales return and other similar allowances.

Independent Auditor's Report (Continued)

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and 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 each company 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 consolidated 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Continued)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Continued)

Other Matters

a. We did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹3,847.54 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 3,069.09 crores and net cash flows (before consolidation adjustments) amounting to ₹322.96 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 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.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit, 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.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 to 12 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report (Continued)

B. 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:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

   c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.

   d (i) The management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid during the year by the Company until the date of this audit report is in accordance with Section 123 of the Act. As stated in Note 46 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

   f. Based on our examination which included test checks, the Holding Company which is incorporated in India has used accounting softwares for maintaining its books of accounts, which along with an access management tool as applicable, has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHS5152

Place: Mumbai
Date: 24 May 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024

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

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHS5152

Place: Mumbai
Date: 24 May 2024

Annexure B to the Independent Auditor’s Report on the consolidated financial statements of Torrent Pharmaceuticals Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Torrent Pharmaceuticals Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the 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, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHS5152

Place: Mumbai
Date: 24 May 2024

Consolidated Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,139.40	2,626.67
Capital work-in-progress	6	280.80	688.24
Right-of-use assets	7	157.57	144.93
Goodwill	8	338.03	337.50
Other intangible assets	9	4,503.11	5,012.35
Intangible assets under development	9	79.71	77.16
Financial assets			
Investments	10	31.80	42.70
Loans	11	2.51	2.50
Other financial assets	12	36.87	48.68
		71.18	**93.88**
Other tax assets (net)		308.79	135.80
Deferred tax assets (net)	23	555.13	543.67
Other non-current assets	13	15.38	22.47
Total non-current assets		**9,449.10**	**9,682.67**
Current assets			
Inventories	14	2,279.07	2,229.64
Financial assets			
Investments	10	141.04	156.09
Trade receivables	15	1,844.30	1,943.82
Cash and cash equivalents	16	835.14	508.53
Bank balances other than cash and cash equivalents	17	3.90	62.93
Loans	11	3.05	1.71
Other financial assets	12	200.68	108.41
		3,028.11	**2,781.49**
Other current assets	13	304.30	302.59
Total current assets		**5,611.48**	**5,313.72**
Non-current assets held for sale	44	-	15.46
TOTAL ASSETS		**15,060.58**	**15,011.85**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	169.23	169.23
Other equity	19	6,686.92	6,028.84
Total equity		**6,856.15**	**6,198.07**
Non-current liabilities			
Financial liabilities			
Borrowings	20	1,603.78	2,496.22
Lease liabilities	21	64.46	52.93
Other financial liabilities	25	9.24	20.87
		1,677.48	**2,570.02**
Provisions	22	444.69	393.06
Deferred tax liabilities (net)	23	656.05	401.94
Other non-current liabilities	26	0.96	1.46
Total non-current liabilities		**2,779.18**	**3,366.48**
Current liabilities			
Financial liabilities			
Borrowings	20	2,333.64	2,801.08
Lease liabilities	21	20.06	18.33
Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		16.12	17.96
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,073.20	1,660.84
Other financial liabilities	25	284.66	420.98
		4,727.68	**4,919.19**
Other current liabilities	26	129.50	103.09
Provisions	22	400.14	393.71
Current tax liabilities (net)		167.93	31.31
Total current liabilities		**5,425.25**	**5,447.30**
TOTAL EQUITY AND LIABILITIES		**15,060.58**	**15,011.85**
Notes forming part of the Consolidated Financial Statements	1 - 48		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Consolidated Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	27	10,727.84	9,620.15
Other income	28	57.91	45.14
Total Income		**10,785.75**	**9,665.29**
EXPENSES			
Cost of materials consumed	29	1,657.59	1,480.42
Purchases of stock-in-trade		1,183.63	1,088.58
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(155.01)	166.19
Employee benefits expense	31	1,984.40	1,677.69
Finance cost	32	353.56	333.44
Depreciation and amortisation expense	33	808.27	706.59
Other expenses	34	2,689.58	2,365.22
Total Expenses		**8,522.02**	**7,818.13**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,263.73**	**1,847.16**
Exceptional items (gain)	39	(88.38)	-
PROFIT BEFORE TAX		**2,352.11**	**1,847.16**
TAX EXPENSE	23		
Current tax		461.73	374.31
Deferred tax		234.00	227.62
		695.73	**601.93**
PROFIT FOR THE YEAR		**1,656.38**	**1,245.23**
Other comprehensive income, net of taxes			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement (losses) / gains on defined benefit plans		(2.43)	8.92
Equity instruments through other comprehensive income		(10.86)	0.38
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement (losses) / gains on defined benefit plans		0.60	(4.60)
Equity instruments through other comprehensive income		3.79	(0.13)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of financial statements of foreign operations		(11.75)	(70.63)
Effective portion on (losses) / gains on hedging instruments in a cash flow hedge		57.94	(109.15)
Income tax relating to items that will be reclassified subsequently to profit or loss			
Effective portion on gains / (losses) on hedging instruments in a cash flow hedge		(20.25)	38.14
		17.04	**(137.07)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,673.42**	**1,108.16**
PROFIT FOR THE YEAR ATTRIBUTABLE TO :			
Owners of the Company		1,656.38	1,245.23
Non-controlling interests		-	-
		1,656.38	**1,245.23**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :			
Owners of the Company		17.04	(137.07)
Non-controlling interests		-	-
		17.04	**(137.07)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :			
Owners of the Company		1,673.42	1,108.16
Non-controlling interests		-	-
		1,673.42	**1,108.16**
Earnings per share (Face value per equity share of ₹ 5) (In ₹)			
Basic and diluted	35	48.94	36.79
Notes forming part of the Consolidated Financial Statements	1 - 48		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Consolidated Statement of Changes in Equity

(A) Equity Share Capital

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	169.23	84.62
Changes during the year *	-	84.61
Balance at the end of the year	**169.23**	**169.23**

* Pursuant to approval given by its shareholders, the Parent company during the year ended March 31, 2023 issued 16,92,22,720 equity shares of ₹5 each as fully paid-up bonus equity shares in the ratio of 1 (one) equity share for every 1 (one) existing equity share.

(B) Other Equity

(₹ in crores)

	Attributable to owners of the company								
	Reserves and surplus					Other comprehensive income			
	Retained earnings	General reserve	Debenture redemption reserve	Capital reserve	Securities premium	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency translation reserve	Total
Balance as at April 1, 2023	3,303.19	2,812.70	107.14	5.56	-	0.42	(27.66)	(172.51)	6,028.84
Profit for the year	1,656.38	-	-	-	-	-	-	-	1,656.38
Other comprehensive income for the year (net of tax)	(1.83)	-	-	-	-	(7.07)	37.69	(11.75)	17.04
Dividends*	(1,015.34)	-	-	-	-	-	-	-	(1,015.34)
Transfer from debenture redemption reserve	-	35.71	(35.71)	-	-	-	-	-	-
Balance as at March 31, 2024	**3,942.40**	**2,848.41**	**71.43**	**5.56**	**-**	**(6.65)**	**10.03**	**(184.26)**	**6,686.92**
Balance as at April 1, 2022	2,916.68	2,857.25	142.86	5.56	4.34	0.17	43.35	(101.88)	5,868.33
Profit for the year	1,245.23	-	-	-	-	-	-	-	1,245.23
Other comprehensive income for the year (net of tax)	4.32	-	-	-	-	0.25	(71.01)	(70.63)	(137.07)
Bonus Issued	-	(80.27)	-	-	(4.34)	-	-	-	(84.61)
Dividends**	(863.04)	-	-	-	-	-	-	-	(863.04)
Transfer from debenture redemption reserve	-	35.72	(35.72)	-	-	-	-	-	-
Balance as at March 31, 2023	**3,303.19**	**2,812.70**	**107.14**	**5.56**	**-**	**0.42**	**(27.66)**	**(172.51)**	**6,028.84**

* Dividends include 2022-23 final dividend of ₹8 per share and 2023-24 interim dividend of ₹22 per share.

** Dividends include 2021-22 final dividend of ₹23 per share (including special dividend of ₹15 per share) and 2022-23 interim dividend of ₹14 per share.

Consolidated Statement of Changes in Equity (Continued)

Nature and Purpose of Reserves :

(a) **Retained earnings :** Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

(b) **General reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) **Debenture redemption reserve :** The reserve represents amount required to be set aside out of profits in accordance with Companies Act, 2013 upto August 16, 2019.

(d) **Capital reserve :** Capital reserve represents profit or loss on cancellation of own forfeited equity instruments and excess of fair value of net assets acquired over the consideration transferred.

(e) **Securities premium :** Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

(f) **Equity instruments through other comprehensive income :** This represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income.

(g) **Effective portion of cash flow hedges :** This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the statement of profit and loss.

(h) **Foreign currency translation reserve :** This reserve represents exchange differences arising on account of conversion of foreign operations to parent company's functional currency.

Notes forming part of the Consolidated Financial Statements (Refer note 1 to 48)

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Consolidated Statement of Cash Flows

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	2,352.11	1,847.16
	Adjustments for :		
	Depreciation and amortisation expense	808.27	706.59
	Allowance for expected credit loss (net)	7.08	2.27
	Exceptional items (gain on sale of liquid facility asset)(Refer note 39(i))	(88.38)	-
	Unrealised foreign exchange gain (net)	(57.09)	(49.15)
	(Gain)/Loss on sale / discard / write-off of property, plant & equipment and other intangible assets	0.02	(21.62)
	Net gain on sale of investments	(17.99)	(19.51)
	Finance costs	353.56	333.44
	Interest income	(11.48)	(14.78)
		3,346.10	**2,784.40**
	Movement in working capital:		
	(Increase)/Decrease in Trade receivables	78.32	(289.72)
	(Increase)/Decrease in Loans and other assets	(6.78)	(19.28)
	(Increase)/Decrease in Inventories	(49.43)	255.71
	Increase/(Decrease) in Trade payables	413.55	(58.02)
	Increase/(Decrease) in Liabilities and provisions	(17.58)	93.11
	CASH GENERATED FROM OPERATIONS	**3,764.18**	**2,766.20**
	Income taxes paid (net of refunds)	(498.10)	(398.07)
	NET CASH FROM OPERATING ACTIVITIES	**3,266.08**	**2,368.13**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Acquisition of subsidiaries (Refer note 42)	-	(2,000.00)
	Purchase of property, plant and equipment and other intangible assets (including payment towards capital work-in-progress, intangible asset under development and capital advances)	(432.78)	(573.94)
	Proceeds from sale of property, plant and equipment and other intangible assets (including assets held for sale)	133.66	158.71
	Proceeds from redemption of mutual funds (net)	33.09	47.40
	Maturity of / (Investments in) Fixed deposits (net)	85.01	(60.38)
	Interest received	13.12	12.90
	NET CASH (USED IN) INVESTING ACTIVITIES	**(167.90)**	**(2,415.31)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	-	1,395.00
	Repayment of long-term borrowings	(1,236.01)	(971.84)
	Proceeds from/(repayment of) short term borrowings (net)	(133.43)	842.03
	Repayment of lease liabilities	(23.90)	(21.77)
	Dividend paid	(1,015.34)	(863.04)
	Finance costs paid	(370.96)	(303.02)
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES	**(2,779.64)**	**77.36**
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**318.54**	**30.18**
	Effect of exchange rate changes on foreign currency cash and cash equivalents	8.07	21.12
	Amount transferred consequent to Amalgamation (Refer note 42)	-	58.83
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 16)	**508.53**	**398.40**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 16)	**835.14**	**508.53**

Consolidated Statement of Cash Flows (Continued)

Notes:

(1) The above statement of Cash flows has been prepared under the "Indirect Method" as set out in the Ind AS 7 - Statement of Cash Flows.

(2) The Group considers investing in liquid mutual fund as an important part of its cash management activities. In accordance with Ind AS 7, the same is presented as cash flows from investing activities. As at March 31, 2024, investment amount is ₹140.96 crores (As at March 31, 2023: ₹156.06 crores).

(3) Changes in liabilities arising from financing activities :

(₹ in crores)

	As at April 1, 2023	Cash flows (net)	Non-cash changes			As at March 31, 2024
			Net Addition	Foreign currency translation	Other Adjustments	
Long-term borrowings including current maturities (Refer note 20)	3,532.23	(1,236.01)	-	2.31	1.18	2,299.71
Short-term borrowings (Refer note 20)	1,765.07	(133.43)	-	6.07	-	1,637.71
Interest accrued but not due (Refer note 25)	60.80	(370.96)	349.54	(0.03)	(1.18)	38.17
Lease liabilities (Non-Current and Current liabilities) (Refer note 21)	71.26	(23.90)	33.62	1.04	2.50	84.52
	5,429.36	**(1,764.30)**	**383.16**	**9.39**	**2.50**	**4,060.11**

(₹ in crores)

	As at April 1, 2022	Cash flows (net)	Non-cash changes			As at March 31, 2023
			Net Addition*	Foreign currency translation	Other Adjustments	
Long-term borrowings including current maturities (Refer note 20)	3,095.06	423.16	-	12.81	1.20	3,532.23
Short-term borrowings (Refer note 20)	923.04	797.80	-	44.23	-	1,765.07
Interest accrued but not due on borrowings (Refer note 25)	34.70	(303.01)	330.31	-	(1.20)	60.80
Lease liabilities (Non-Current and Current liabilities) (Refer note 21)	51.55	(21.77)	36.05	2.66	2.77	71.26
	4,104.35	**896.18**	**366.36**	**59.70**	**2.77**	**5,429.36**

* Net addition in lease liabilities includes ₹0.24 crores acquired on account of business combination.

Notes forming part of the Consolidated Financial Statements (Refer note 1 to 48)

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Samir Mehta
Executive Chairman
DIN : 00061903

Sadashiv Shetty
Partner
Membership No. 048648

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

Mumbai
May 24, 2024

Notes forming part of the Consolidated Financial Statements

1 Group information

The consolidated financial statements comprise the financial statements of Torrent Pharmaceuticals Limited ('the Parent' or 'the Company') and its subsidiaries (including step-down subsidiaries) (collectively referred to as 'the Group') for the year ended March 31, 2024. Torrent Pharmaceuticals Limited, is a public limited company incorporated and domiciled in India. The registered office of the Company is located at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India. The Company's shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Group is engaged in the business of developing, manufacturing and marketing of generic pharmaceutical formulations. The Group has manufacturing locations spread across India with trading and other incidental activities extended to the global markets.

Information on the Group's structure is as follows:

Entity	Country of Incorporation
Subsidiaries [having 100% proportion of ownership interest and voting rights]	
Zao Torrent Pharma	Russia
Torrent Do Brasil Ltda.	Brazil
Torrent Pharma Gmbh (TPG)	Germany
Torrent Pharma Inc.	USA
Torrent Pharma Philippines Inc.	Philippines
Laboratories Torrent, S.A. de C.V.	Mexico
Torrent Australasia Pty Ltd	Australia
Torrent Pharma (Thailand) Co., Ltd.	Thailand
TPL (Malta) Limited	Malta
Torrent Pharma (UK) Ltd	United Kingdom
Laboratorios Torrent (Malaysia) SDN.BHD.	Malaysia
Curatio Inc, Philippines	Philippines
Torrent International Lanka (PVT) Ltd (Formerly known as Curatio International Lanka (PVT) ltd)	Sri Lanka
Farmacéutica Torrent Colombia SAS	Colombia
Step-down subsidiary of TPL (MALTA) Ltd [having 100% proportion of ownership interest and voting rights]	
Torrent Pharma (Malta) Limited	Malta
Step-down subsidiaries of TPG [having 100% proportion of ownership interest and voting rights]	
Heumann Pharma Gmbh & Co. Generica KG	Germany
Heunet Pharma Gmbh	Germany

2 Statement of compliance

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

Notes forming part of the Consolidated Financial Statements

3 Basis of preparation of consolidated financial statements

3.1 Basis of preparation and presentation

The consolidated financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Derivative financial instruments
- Investments in mutual funds, equity instruments and LLP
- Defined benefit plan – plan assets measured at fair value
- Contingent consideration in business combination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of asset.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

3.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee crores.

3.3 Use of accounting estimates and judgements

The preparation of consolidated financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgements, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and if any future periods affected.

The Group uses the following critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements:

Useful lives of property, plant and equipment (Refer note 4.2)

The group reviews estimated useful lives, residual values and depreciation method at each financial year-end and changes in estimates, if any are accounted for as a change in an accounting estimates.

Notes forming part of the Consolidated Financial Statements

3.3 Use of accounting estimates and judgements (Continued)

Valuation of assets acquired as part of business combination and contingent consideration (Refer note 4.3.1)

Ind AS 103 requires the identifiable assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and assets. The purchase price allocation valuations are conducted by independent valuer.

Useful lives of intangible assets (Refer note 4.4)

The group reviews estimated useful life of amortisable intangible assets at the end of each reporting period and change in estimates if any are accounted for as a change in an accounting estimates.

Valuation of inventories (Refer note 4.8)

The Group considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impacts the Group's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Group considers the above factors and adjusts the inventory provision on a periodic basis to reflect its actual experience.

Impairment of intangible assets and goodwill (Refer note 4.9.2)

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated growth rates and weighted average cost of capital. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Employee benefits (Refer note 4.10 and 36)

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates.

Provisions & contingent liabilities (Refer note 4.12 and 41)

The Group exercises judgement in determining outcome of a particular matter is possible, probable or remote. The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities.

Sales returns, rebates, chargeback and medicaid (Refer note 4.13)

The estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of sales returns, market condition, estimated shelf life and specific contractual terms. Chargeback, rebates and medicaid payments are variable consideration that is recognised and recorded based on historical experience, market conditions and specific contractual terms.

Provision for income tax and deferred tax assets (Refer note 4.14)

The group exercises significant judgements in determining provision for income taxes, uncertain tax positions and to reassess the carrying amount of deferred tax assets at the end of the each reporting period.

Notes forming part of the Consolidated Financial Statements

4 Material Accounting Policies

4.1 Basis of consolidation

The Company consolidates all entities which it controls. Control is established when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets 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 financing of acquisition or construction of the qualifying fixed assets is capitalised to respective assets when the time taken to put the assets to use is substantial.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of replacement of any property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Group and its cost can be measured reliably.

Capital work in progress which are not ready for intended use are carried at cost less impairment loss, if any.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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 the project costs and are capitalised. Such expenses are capitalised only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognised in the statement of profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on property, plant and equipments is provided using straight-line method based on useful life of the assets estimated by the management.

Notes forming part of the Consolidated Financial Statements

4.2 Property, plant and equipment (Continued)

The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for as a change in accounting estimates.

The estimated useful lives of property, plant and equipment are as under:

Type of property, plant and equipment	Useful life
Other than factory buildings*	58 years
Factory buildings*	28 years
Plant and equipments*	10 to 20 years
Laboratory equipments*	5 to 20 years
Electrical equipments*	5 to 20 years
Furniture and fixtures*	3 to 10 years
Office equipments*	10 years
Wind power plant*	25 years
Solar power plant*	30 years
Computer equipments*	2 to 5 years
Vehicles*	5 to 10 years

* For these classes 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 Group and historical usage of assets.

4.3 Business combinations and goodwill

4.3.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed in the statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net identifiable assets and contingent liabilities.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an

Notes forming part of the Consolidated Financial Statements

4.3.1 Business combinations (Continued)

acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose. The financial statement of prior period is restated as if the business combination had occurred from the beginning of the preceding period, irrespective of the actual date of combination.

4.3.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.4 Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Acquired research and development intangible assets that are under development are recognised as intangible assets under development. These assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Intangible assets are amortised over their respective estimated useful life using straight-line method.

The estimated useful life of amortisable intangible assets is reviewed at the end of each reporting period and changes in estimates if any are accounted for as a change in accounting estimates.

The estimated useful lives of intangible assets are as mentioned below:

Type of intangible asset	Useful life
Softwares	3 to 5 years
Product licenses	Upto 15 years
Brands	Upto 15 years
Non-compete fees	Upto 5 years
Drug master files	10 years

4.5 Foreign currency transaction, translation and foreign operations

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as

Notes forming part of the Consolidated Financial Statements

4.5 Foreign currency transactions, translation and foreign operations (Continued)

income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Foreign operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

4.6 Financial instruments

4.6.1 Financial assets

(a) Classification of financial assets :

The Group classifies its financial assets in the following categories:

- those measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(b) Initial measurement :

Financial assets (unless it is a trade receivable without a significant financing component) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement :

- **Amortised Cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

Notes forming part of the Consolidated Financial Statements

4.6.1 Financial assets (Continued)

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises.

(d) Derecognition of financial assets :

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has retained substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group has retained control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(e) Income recognition :

Dividend is accounted when the right to receive payment is established. Interest income is recognised in the statement of profit and loss as it accrues, using the effective interest method.

(f) Cash and cash equivalents :

Cash and cash equivalents consists of cash on hand, short term deposits and highly liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

(g) Investments :

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income.

(h) Trade receivables :

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognised at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

Notes forming part of the Consolidated Financial Statements

4.6 Financial instruments (Continued)

4.6.2 Financial liabilities

The Group's financial liabilities include trade payables, loans and borrowing and derivative financial instruments.

(a) Classification :

All the Group's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortised cost.

(b) Initial measurement :

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Derecognition of financial liabilities :

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Borrowings :

Borrowings are initially recorded at fair value net of transaction cost and subsequently measured at amortised costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

(f) Trade payables :

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

4.6.3 Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and nature of hedged items.

Derivative financial instruments that hedges foreign currency risk associated with highly probable forecasted transactions are designated as cash flow hedges and measured at fair value. The effective portion of such hedges

Notes forming part of the Consolidated Financial Statements

4.6.3 Derivative financial instruments and hedge accounting (Continued)

is recorded in cash flow hedge reserve, as a component of equity, and re-classified to the statement of profit and loss in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such hedges is recorded in the statement of profit and loss immediately.

Hedge effectiveness is tested both at the inception of the hedge relationship as well as on an ongoing basis. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting.

4.7 Leases – Group as lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group assesses whether contract involves the use of an identified asset, the Group has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Group has the right to direct the use of the asset.

At the inception date, right-of-use(ROU) asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Group has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Group has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

4.8 Inventories

Inventories are carried at the lower of cost and net realisable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

a. Raw material and packing material - Purchase cost of materials on a moving average basis.

b. Finished goods (manufactured) and work in progress - Cost of purchase, conversion cost and other costs on a weighted average cost method.

c. Finished goods (traded) - Purchase cost on a moving average basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Group from tax authorities), and transport, handling and other costs directly attributable to bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

Notes forming part of the Consolidated Financial Statements

4.8 Inventories (Continued)

The Group considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor, which impact the Group's business, in determining the allowance for obsolete, non-saleable and slow moving inventories.

4.9 Impairment of assets

4.9.1 Financial assets

At each balance sheet date, the Group assesses whether a financial asset is to be impaired. Ind AS 109 requires the Group to apply expected credit loss model for recognition and measurement of impairment loss. The Group has uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The impairment loss is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

4.9.2 Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods. An impairment loss recognised for goodwill is not reversed in subsequent periods.

4.10 Employee benefits

4.10.1 Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

4.10 Employee benefits (Continued)

4.10.2 Long term employment benefits

Defined contribution plans :

Contributions to defined contribution plans (provident fund, superannuation and other social security schemes) are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans :

The Group's net obligation in respect of defined benefit plans (gratuity, pension and other retirement benefit plans) is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Termination benefits :

Termination benefits are recognised as expense when the Group is committed without any possibility of withdrawal of an offer made to either terminate employment before the normal retirement date or as a result of an offer made to encourage voluntary retirement.

Compensated absences and earned leaves :

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.11 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been and will be fulfilled.

Government grants related to asset are recognised as deferred income and charged to statement of profit and loss on a systematic basis over expected useful life of the related asset.

Government grants are recognised in statement of profit and loss on a systematic basis over the period in which Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses already incurred are recognised in statement of profit and loss in the period in which they become receivable.

When loans received from the government or related institutions with below-market interest rate, the benefit of below-market interest rate is treated as government grant measured as the difference between the proceeds received and the fair value of loan based on prevailing market interest rate.

4.12 Provisions, contingent liabilities and contingent assets

Provisions :

A provision is recognised when as a result of a past event, the Group has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes forming part of the Consolidated Financial Statements

4.12 Provisions, contingent liabilities and contingent assets (Continued)

If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability :

The Group uses significant judgements to assess contingent liabilities. A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets :

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

4.13 Revenue recognition

Revenue is measured based on the transaction price adjusted for chargeback, discounts and rebates, which is specified in the contract with customer. Revenue are net of estimated returns, medicaid payments and taxes collected from customers.

Revenue from sale of goods is recognised when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods are made available to the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions 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 trade practices, historical trends, past experience and projected market conditions.

A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the company. Chargeback, rebates, returns and medicaid payments are variable consideration that is recognised and recorded based on 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.

Export entitlements are recognised 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.

4.14 Income taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognised in statement of profit and loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case, income tax expenses are also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods.

Notes forming part of the Consolidated Financial Statements

4.14 Income taxes (Continued)

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction are not recognised.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

For units which enjoy tax holiday benefit, deferred tax assets and liabilities are recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealised inter-company profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred income taxes are not provided on the undistributed retained earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

4.15 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares.

4.16 Research and development

Revenue expenditure on research and development activities is recognised as expense in the separate heads of the statement of profit and loss in the period in which it is incurred.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised when the probability of expected future economic benefits criterion is considered to be satisfied.

Notes forming part of the Consolidated Financial Statements

4.17 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

4.18 GST input credit

Goods and services tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input 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.

4.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Group is responsible for allocating resources and assessing performance of the operating segments.

4.20 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

4.21 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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Notes forming part of the Consolidated Financial Statements

6 Property, Plant and Equipment

(₹ in crores)

	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical equipments	Total
Gross carrying amount as at April 1, 2023	662.47	1,134.34	2,069.73	83.64	25.92	157.10	245.55	4,378.75
Additions during the year	17.95	384.03	263.79	20.41	3.47	39.92	41.22	770.79
Less: Deductions during the year	-	27.67	17.61	4.27	1.40	9.70	2.51	63.16
Foreign currency translation adjustments	-	0.27	0.52	0.25	0.00	0.40	0.35	1.79
Gross carrying amount as at March 31, 2024	**680.42**	**1,490.97**	**2,316.43**	**100.03**	**27.99**	**187.72**	**284.61**	**5,088.17**
Accumulated depreciation and impairment as at April 1, 2023	-	276.76	1,174.97	55.53	9.97	112.19	122.66	1,752.08
Depreciation during the year	-	38.07	143.57	6.36	2.72	23.70	15.67	230.09
Less: Deductions during the year	-	3.68	15.13	3.79	0.60	9.18	2.17	34.55
Foreign currency translation adjustments	-	0.19	0.32	0.14	0.00	0.28	0.22	1.15
Accumulated depreciation as at March 31, 2024	**-**	**311.34**	**1,303.73**	**58.24**	**12.09**	**126.99**	**136.38**	**1,948.77**
Net carrying amount as at March 31, 2024	**680.42**	**1,179.63**	**1,012.70**	**41.79**	**15.90**	**60.73**	**148.23**	**3,139.40**
Capital work-in-progress								
Carrying amount as at April 1, 2023								688.24
Additions during the year								368.59
Less: Deductions/Capitalised during the year								776.38
Foreign currency translation adjustments								0.35
Carrying amount as at March 31, 2024								**280.80**
Total								**3,420.20**
Gross carrying amount as at April 1, 2022	695.30	1,169.81	2,077.70	82.49	20.54	143.30	255.14	4,444.28
Additions during the year	1.73	79.41	151.16	2.77	5.50	21.35	13.36	275.28
Acquisition through business combinations	-	-	0.69	0.49	0.28	0.09	0.11	1.66
Less: Deductions during the year	1.82	0.70	22.73	2.60	0.42	3.45	0.28	32.00
Less: Assets held for sale	35.51	124.43	149.41	0.49	-	5.28	24.22	339.34
Foreign currency translation adjustments	2.77	10.25	12.32	0.98	0.02	1.09	1.44	28.87
Gross carrying amount as at March 31, 2023	**662.47**	**1,134.34**	**2,069.73**	**83.64**	**25.92**	**157.10**	**245.55**	**4,378.75**
Accumulated depreciation and impairment as at April 1, 2022	18.48	358.54	1,193.91	52.87	7.94	104.04	133.42	1,869.20
Depreciation during the year	-	32.77	137.05	4.90	2.29	15.78	12.30	205.09
Less: Deductions during the year	-	0.13	18.70	2.42	0.27	3.28	0.24	25.04
Less: Non-current assets held for sale	20.04	124.43	149.41	0.49	-	5.28	24.23	323.88
Foreign currency translation adjustments	1.56	10.01	12.12	0.67	0.01	0.93	1.41	26.71
Accumulated depreciation and impairment as at March 31, 2023	**-**	**276.76**	**1,174.97**	**55.53**	**9.97**	**112.19**	**122.66**	**1,752.08**
Net carrying amount as at March 31, 2023	**662.47**	**857.58**	**894.76**	**28.11**	**15.95**	**44.91**	**122.89**	**2,626.67**

Notes forming part of the Consolidated Financial Statements

6 Property, Plant and Equipment (Continued)

(₹ in crores)

	Total
Carrying amount as at April 1, 2022	544.34
Additions during the year	415.95
Less: Deductions/Capitalised during the year	272.92
Foreign currency translation adjustments	0.87
Carrying amount as at March 31, 2023	**688.24**
Total	**3,314.91**

(i) Certain property, plant and equipment hypothecated / mortgaged as security for borrowings as disclosed under note 20.

(ii) Capital work-in-progress includes expenses of ₹14.00 crores (previous year: ₹42.60 crores) other than borrowing cost incurred in the course of construction.

(iii) ₹1.40 crores (previous year: ₹0.43 crores) of borrowing costs has been capitalised during the year against qualifying assets under construction using a capitalisation rate of 7.47% (previous year: 7.75%).

(iv) The amount of capital commitments is disclosed in note 41.

(v) Pro-rata cost of assets owned jointly with Torrent Power Limited, a fellow subsidiary are as under:

(₹ in crores)

	Proportion of holding	As at March 31, 2024	As at March 31, 2023
Freehold Land	50%	23.79	23.79
Freehold Land	30%	35.69	35.69
Buildings	30%	0.65	0.65
Total		**60.13**	**60.13**

(vi) Ageing Schedule of Capital work-in-progress

(₹ in crores)

As at March 31, 2024	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Growth projects	149.83	36.94	27.38	0.31	214.46
Maintenance capex	41.33	4.19	5.14	15.68	66.34
Projects temporarily suspended	-	-	-	-	-
Total	**191.16**	**41.13**	**32.52**	**15.99**	**280.80**

Notes forming part of the Consolidated Financial Statements

6 Property, Plant and Equipment (Continued)

(₹ in crores)

As at March 31, 2023	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Growth projects*	129.70	101.36	50.76	276.91	558.73
Maintenance capex	75.11	15.30	8.25	30.85	129.51
Projects temporarily suspended	-	-	-	-	-
Total	**204.81**	**116.66**	**59.01**	**307.76**	**688.24**

* In case of Oncology facility, since the project completion date was linked to approval of the facility by relevant regulatory authorities, the same was classified as Project in Progress as at March 31, 2023 and has been capitalised during the current year.

(vii) For capital-work-in progress, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

7 Right-Of-Use Assets

(₹ in crores)

	Land	Buildings	Vehicles	Computers	Total
Gross carrying amount as at April 1, 2023	97.36	97.88	18.00	-	213.24
Additions during the year	1.87	24.92	5.40	3.30	35.49
Less: Deductions / Adjustments during the year	-	4.52	6.91	-	11.43
Foreign currency translation adjustments	0.10	1.88	1.10	-	3.08
Gross carrying amount as at March 31, 2024	**99.33**	**120.16**	**17.59**	**3.30**	**240.38**
Accumulated depreciation as at April 1, 2023	8.02	49.95	10.34	-	68.31
Depreciation during the year	2.25	16.16	3.73	0.50	22.64
Less: Deductions during the year	-	3.53	6.38	-	9.91
Foreign currency translation adjustments	0.00	1.26	0.51	-	1.77
Accumulated depreciation as at March 31, 2024	**10.27**	**63.84**	**8.20**	**0.50**	**82.81**
Net carrying amount as at March 31, 2024	**89.06**	**56.32**	**9.39**	**2.80**	**157.57**
Gross carrying amount as at April 1, 2022	96.54	69.45	11.96	-	177.95
Additions during the year	-	29.85	5.95	-	35.80
Acquisition through business combinations	-	0.24	-	-	0.24
Less: Deductions / Adjustments during the year	-	4.75	1.21	-	5.96
Foreign currency translation adjustments	0.82	3.09	1.30	-	5.21
Gross carrying amount as at March 31, 2023	**97.36**	**97.88**	**18.00**	**-**	**213.24**
Accumulated depreciation as at April 1, 2022	5.77	36.23	8.44	-	50.44
Depreciation during the year	2.23	15.95	2.50	-	20.68
Less: Deductions during the year	-	4.41	1.19	-	5.60
Foreign currency translation adjustments	0.02	2.18	0.59	-	2.79
Accumulated depreciation as at March 31, 2023	**8.02**	**49.95**	**10.34**	**-**	**68.31**
Net carrying amount as at March 31, 2023	**89.34**	**47.93**	**7.66**	**-**	**144.93**

(i) Lease contracts entered by the Group majorly pertains for land, buildings, vehicles and computers taken on lease to conduct its business in the ordinary course.

Notes forming part of the Consolidated Financial Statements

7 Right-of-Use Assets (Continued)

(ii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Group's operations.

(iii) Lease liabilities, interest expense on lease liabilities and payment of lease liabilities are disclosed in note 21. Maturity profile of lease liabilities is disclosed in note 38 : Liquidity risk.

8 Goodwill

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	337.50	259.48
Add : Goodwill arising on business combination during the year	-	77.62
Add : Goodwill arising on account of recognition of deferred tax liability in business combination (Refer note 42)	-	458.52
Less : Reversal of goodwill on account of reversal of deferred tax liability (Refer note 39(ii))	-	458.52
Add : Foreign currency translation adjustments	0.53	0.40
Balance at end of the year	**338.03**	**337.50**

The Group tests goodwill for impairment annually or based on an indication. The Group provides for impairment if the carrying amount of cash generating unit(CGU) exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of CGU to which the goodwill is related.

The carrying amount of goodwill has been allocated to CGUs as follows:

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Acquired brands	286.99	286.99
Acquired facility with Drug Master Files	34.62	34.62
Acquired product licenses	16.42	15.89
	338.03	**337.50**

Key assumptions for CGUs with significant amount of goodwill are as follows :

a) Projected cash flows for five years based on financial budgets / forecasts. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.

b) Discount rate applied to projected cash flow is 12% to 16%.

c) Projected revenue growth rate is 7% to 17%.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

Notes forming part of the Consolidated Financial Statements

9 Other Intangible Assets

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Gross carrying amount as at April 1, 2023	176.59	339.58	7,211.30	129.63	25.03	7,882.13
Additions during the year	22.87	14.29	-	-	1.33	38.49
Less: Deductions during the year	1.50	4.76	-	98.53	-	104.79
Translation exchange difference	0.31	1.86	-	-	(0.01)	2.16
Gross carrying amount as at March 31, 2024	**198.27**	**350.97**	**7,211.30**	**31.10**	**26.35**	**7,817.99**
Accumulated amortisation and impairment as at April 1, 2023	149.36	253.37	2,349.17	101.42	16.46	2,869.78
Amortisation during the year	20.46	29.46	484.28	6.22	2.50	542.92
Impairment during the year	-	4.32	-	-	-	4.32
Less: Deductions during the year	1.50	3.53	-	98.53	-	103.56
Translation exchange difference	0.26	1.16	-	-	-	1.42
Accumulated amortisation as at March 31, 2024	**168.58**	**284.78**	**2,833.45**	**9.11**	**18.96**	**3,314.88**
Net carrying amount as at March 31, 2024	**29.69**	**66.19**	**4,377.85**	**21.99**	**7.39**	**4,503.11**
Intangible assets under development						
Carrying amount as at April 1, 2023						77.16
Additions during the year						31.72
Less: Deductions/Capitalised during the year						21.62
Less: Impairment during the year						8.65
Translation exchange difference						1.10
Carrying amount as at March 31, 2024						**79.71**
Total						**4,582.82**
Gross carrying amount as at April 1, 2022	155.26	300.86	5,266.80	98.53	25.03	5,846.48
Additions during the year	23.52	25.22	145.00	-	-	193.74
Acquisition through business combinations	0.07	-	1,799.50	31.10	-	1,830.67
Deductions during the year	3.37	0.63	-	-	-	4.00
Foreign currency translation adjustments	1.11	14.13	-	-	-	15.24
Gross carrying amount as at March 31, 2023	**176.59**	**339.58**	**7,211.30**	**129.63**	**25.03**	**7,882.13**
Accumulated amortisation and impairment as at April 1, 2022	132.84	216.77	1,933.37	88.96	13.96	2,385.90
Amortisation during the year	19.03	26.77	415.80	12.46	2.50	476.56
Deductions during the year	3.37	0.15	-	-	-	3.52
Foreign currency translation adjustments	0.86	9.98	-	-	-	10.84

Notes forming part of the Consolidated Financial Statements

9 Other Intangible Assets (Continued)

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Accumulated amortisation and impairment as at March 31, 2023	**149.36**	**253.37**	**2,349.17**	**101.42**	**16.46**	**2,869.78**
Net carrying amount as at March 31, 2023	**27.23**	**86.21**	**4,862.13**	**28.21**	**8.57**	**5,012.35**
Intangible assets under development						
Carrying amount as at April 1, 2022						85.48
Additions during the year						181.54
Deductions/Capitalised during the year						187.67
Impairment during the year						4.56
Foreign currency translation adjustments						2.37
Carrying amount as at March 31, 2023						**77.16**
Total						**5,089.51**

(i) Material intangible assets in the Group's financial statement :

Description of intangible assets	Brands
Net Carrying amount	**₹4,377.85 crores as at March 31, 2024**
	(₹4,862.13 crores as at March 31, 2023)
Remaining amortisation period	**5 years to 14 years as at March 31, 2024**
	(6 years to 15 years as at March 31, 2023)

(ii) Ageing Schedule of Intangible assets under development:

(₹ in crores)

As at March 31, 2024	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	21.07	17.76	24.32	16.56	79.71
Projects temporarily suspended	-	-	-	-	-
Total	**21.07**	**17.76**	**24.32**	**16.56**	**79.71**

(₹ in crores)

As at March 31, 2023	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	27.61	27.93	5.32	16.30	77.16
Projects temporarily suspended	-	-	-	-	-
Total	**27.61**	**27.93**	**5.32**	**16.30**	**77.16**

(iii) For intangible assets under development, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

Notes forming part of the Consolidated Financial Statements

10 Investments

(₹ in crores)

	No. of shares	As at March 31, 2024	As at March 31, 2023
Non-current			
(Unquoted)			
At fair value through other comprehensive income			
Equity Instruments of :			
Epigeneres Biotech Private Limited	158	2.00	2.00
fully paid-up equity shares of ₹10 each			
Shivalik Solid Waste Management Limited	20,000	0.02	0.02
fully paid-up equity shares of ₹10 each			
UNM Foundation	50,000	0.05	0.05
fully paid-up equity shares of ₹10 each			
Investment in LLP :			
ABCD Technologies LLP	6.45% *	29.72	40.62
* Share of profit/loss and voting rights			
At amortised cost			
National savings certificates		0.01	0.01
		31.80	**42.70**
Current			
(Quoted)			
At fair value through other comprehensive income			
Equity Instruments of :			
Union Bank of India	5,115	0.08	0.03
fully paid-up equity shares of ₹2 each			
At fair value through profit or loss			
Mutual funds		140.96	156.06
		141.04	**156.09**
		172.84	**198.79**

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(i) Aggregate amount of unquoted investments	31.80	42.70
(ii) Aggregate amount of quoted investments	141.04	156.09

Notes forming part of the Consolidated Financial Statements

11 Loans

(Unsecured and considered good, unless otherwise stated)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Employee loans	2.51	2.50
	2.51	**2.50**
Current		
Employee loans	3.05	1.71
	3.05	**1.71**
	5.56	**4.21**

12 Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits	22.66	20.27
Derivative financial instruments	4.38	-
Fixed deposits (having remaining maturity of more than 12 months)	1.49	28.41
Other receivables	8.34	-
	36.87	**48.68**
Current		
Security deposits	0.75	1.52
Derivative financial instruments	25.16	-
Interest accrued on deposits	0.29	1.93
Production linked incentive benefit receivable	84.33	57.48
Fixed deposits (having remaining maturity of less than 12 months)	27.78	-
Other receivables (includes receivables on derivative instrument, discount receivables from vendors, etc.)	62.37	47.48
	200.68	**108.41**
	237.55	**157.09**

Notes forming part of the Consolidated Financial Statements

13 Other Assets

(Unsecured and considered good, unless otherwise stated)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances	15.38	22.47
	15.38	**22.47**
Current		
Export benefits receivable	16.01	7.19
Claims receivable (indirect tax / others)	64.13	57.22
Employees advances	8.50	7.11
Prepaid expenses	58.95	66.69
Indirect taxes recoverable	95.07	104.24
Advances to suppliers	44.89	51.24
Other receivables (includes gratuity assets (net), etc.)	16.75	8.90
	304.30	**302.59**
	319.68	**325.06**

14 Inventories

(At lower of cost and net realisable value)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Raw materials	643.12	752.49
Packing materials	61.05	57.26
Work-in-progress	140.95	116.47
Finished goods	980.84	859.71
Stock-in-trade	453.11	443.71
	2,279.07	**2,229.64**

(i) Inventory as at March 31, 2024 includes inventory of Raw Materials in transit of ₹12.78 crores, Packing Materials in transit of ₹0.79 crores and Stock of traded goods in transit of ₹4.75 crores.

(ii) The Group reversed inventory write-down (net) of ₹14.47 crores and ₹44.33 crores in consolidated statement of profit and loss for the year ended March 31, 2024 and March 31, 2023 respectively.

(iii) The Group writes down the value of inventories towards slow moving, non-moving and non-saleable inventory (expired/damaged) based on historical experience in respect of such items and any recent trends that may suggest realisable amount could differ from historical amounts.

(iv) Inventories are hypothecated as security for borrowings as disclosed under note 20.

Notes forming part of the Consolidated Financial Statements

15 Trade Receivables

(Unsecured)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(a) Considered good	1,851.31	1,943.82
(b) Credit-impaired	4.20	10.85
Less : Allowance for expected credit loss	11.21	10.85
	1,844.30	**1,943.82**
(i) Trade receivables are non-interest bearing and are generally on credit period upto 180 days.		
(ii) Movements in allowance for expected credit loss :		
Balance at the beginning of the year	10.85	7.73
Add: Provision made during the year (net)	7.08	2.27
Less: Provision used during the year	(5.76)	(0.55)
Add/(Less): Translation exchange difference	(0.96)	1.40
Balance at the end of the year	**11.21**	**10.85**

(iii) Trade Receivable Ageing

(₹ in crores)

As at March 31, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,667.79	167.71	9.01	6.80	-	-	1,851.31
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	0.64	0.39	1.03
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	0.66	0.10	0.03	1.15	1.23	3.17
Less: Allowance for credit loss							(11.21)
Total Trade Receivables							**1,844.30**

Notes forming part of the Consolidated Financial Statements

15 Trade Receivables (Continued)

(₹ in crores)

As at March 31, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,820.63	109.26	8.05	3.12	0.73	2.03	1,943.82
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	0.11	1.44	0.55	0.32	2.76	5.18
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.32	1.80	0.33	3.22	5.67
Less: Allowance for credit loss							(10.85)
Total Trade Receivables							**1,943.82**

16 Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balances with banks	435.34	470.18
Cash on hand	0.51	0.37
Fixed deposit with original maturity of less than 3 months	399.29	37.98
	835.14	**508.53**

17 Bank Balances other than Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks*	3.86	4.80
Fixed deposit with original maturity of more than 3 months but less than 12 months	0.04	58.13
	3.90	**62.93**

*Earmarked balances with banks primarily relates to unclaimed dividends.

Notes forming part of the Consolidated Financial Statements

18 Equity Share Capital

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Authorised		
42,00,00,000 (previous year 42,00,00,000) equity shares of ₹5 each	210.00	210.00
25,00,000 (previous year 25,00,000) preference shares of ₹100 each	25.00	25.00
	235.00	**235.00**
Issued		
33,84,45,440 (previous year 33,84,45,440) equity shares of ₹5 each	169.23	169.23
Subscribed and fully paid-up		
33,84,45,440 (previous year 33,84,45,440) equity shares of ₹5 each	169.23	169.23
	169.23	**169.23**

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

	As at March 31, 2024		As at March 31, 2023	
	Numbers	₹ In crores	Numbers	₹ In crores
As at the beginning of the year	33,84,45,440	169.23	16,92,22,720	84.62
Add: Bonus shares issued during the year	-	-	16,92,22,720	84.61
Outstanding at the end of the year	33,84,45,440	169.23	33,84,45,440	169.23

(ii) Torrent Investments Private Limited, the holding Company, holds 24,11,27,440 (previous year 24,11,27,440) equity shares of ₹5 each, equivalent to 71.25% (previous year 71.25%) of the total number of subscribed & paid up equity shares, which is the only shareholder holding more than 5 % of total equity shares.

(iii) 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.

(iv) Disclosure of shareholding of promoters:

Shares held by Promoters at the end of the Year		As at March 31, 2024		As at March 31, 2023		% change during the year
Sr. No.	Promoter's Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sudhir Uttamlal Mehta (HUF)	Nil	-	200	0.00	-100%
2	Samir Uttamlal Mehta (HUF)	Nil	-	200	0.00	-100%
3	Sudhir Uttamlal Mehta	400	0.00	200	0.00	100%
4	Samir Uttamlal Mehta	400	0.00	200	0.00	100%
5	Anita Sudhir Mehta	200	0.00	200	0.00	-
6	Sapna Samir Mehta	200	0.00	200	0.00	-
7	Jinal Sudhir Mehta	200	0.00	200	0.00	-
8	Varun Sudhir Mehta	200	0.00	200	0.00	-
9	Shaan Mehta	200	0.00	200	0.00	-
10	Aman Mehta	200	0.00	200	0.00	-
11	Torrent Investments Private Limited	24,11,27,440	71.25	24,11,27,440	71.25	-
	Total	**24,11,29,440**	**71.25**	**24,11,29,440**	**71.25**	**-**

Notes forming part of the Consolidated Financial Statements

18 Equity Share Capital (Continued)

(v) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes 16,92,22,720 equity shares allotted as fully paid up bonus shares.

19 Other Equity

(Refer Statement of Changes in Equity for detailed movement in Other Equity)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Retained earnings	3,942.40	3,303.19
General reserve	2,848.41	2,812.70
Debenture redemption reserve	71.43	107.14
Capital reserve	5.56	5.56
	6,867.80	**6,228.59**
Other comprehensive income		
Equity instruments through other comprehensive income	(6.65)	0.42
Effective portion of cash flow hedges	10.03	(27.66)
Foreign currency translation reserve	(184.26)	(172.51)
	(180.88)	**(199.75)**
	6,686.92	**6,028.84**

20 Borrowings

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured non-convertible debentures	642.42	785.03
Secured term loans from banks	961.36	1,511.19
Secured term loans from others	-	200.00
	1,603.78	**2,496.22**
Current		
Current maturities of long-term borrowings		
Secured non-convertible debentures	142.86	487.86
Secured term loans from banks	553.07	414.82
Secured term loans from others	-	133.33
	695.93	**1,036.01**
Working capital loans		
Secured loans from banks	850.00	997.77
Unsecured loans from banks	787.71	767.30
	1,637.71	**1,765.07**
	2,333.64	**2,801.08**
	3,937.42	**5,297.30**

Notes forming part of the Consolidated Financial Statements

20 Borrowings (Continued)

(i) Term Loans from banks referred above to the extent of :

(a) ₹398.50 crores (Previous year ₹657.42 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹71.87 crores (Previous year ₹209.37 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) and Gangtok in Sikkim (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹166.75 crores (previous year ₹164.44 crores) from bank is secured by hypothecation of inventories and book debts.

(d) ₹145.00 crores (Previous year ₹145.00 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the company including its future line extensions.

(e) ₹732.31 crores (Previous year ₹749.78 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the company including its future line extensions.

(ii) Non-convertible debentures referred above to the extent of :

(a) ₹ 285.28 crores (Previous year ₹427.89 crores) are secured by first *pari-passu* mortgage/charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹ NIL (Previous year ₹345.00 crores) are secured by first *pari-passu* mortgage/ charge on tangible immovable and movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹500.00 crores (Previous year ₹500.00 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the company including its future line extensions.

(iii) Term Loans from others referred above to the extent of ₹ NIL (previous year ₹333.33 crores) are secured by first exclusive mortgage/ charge on identified Land situated at Shilaj-Thaltej, Ahmedabad as well as first *pari-passu* mortgage/ charge on certain identified trademarks of the Company including its future line extensions.

(iv) Secured working capital demand loans are secured by hypothecation of inventories and book debts.

(v) Term loans carry interest rate in the range of 7.09% to 9.60% (previous year: 4.57% to 9.60%) and working capital loans carry interest rate in the range of 6.96% to 8.04% (previous year: 6.15% to 7.08%) Non-convertible debentures carry interest rate in the range of 8.47% to 9.11% (previous year: 7.70% to 8.71%).

Notes forming part of the Consolidated Financial Statements

20 Borrowings (Continued)

(vi) Maturity profile of term loans and non-convertible debentures including current maturities is as below:

(₹ in crores)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Amortised cost adjustment	Total	Repayment Terms
Term Loan	553.07	342.30	201.38	152.38	137.75	99.50	29.75	1.69	1,514.43	₹1,349.37 crores repayable in 105 quarterly installments and ₹166.75 crores repayable in January, 2025
Non-convertible debentures	142.86	242.84	100.00	100.00	100.00	100.00	-	0.42	785.28	₹285.70 crores repayable in 2 annual installments and ₹500.00 crores repayable in 5 annual installments
Total	**695.93**	**585.14**	**301.38**	**252.38**	**237.75**	**199.50**	**29.75**	**2.12**	**2,299.71**	

(vii) The Group has been sanctioned working capital limits from banks majorly on the basis of security of current assets. The quarterly returns or statements filed with such banks wherever applicable are in agreement with the books of accounts of the company.

21 Lease Liabilities

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease Liabilities	64.46	52.93
	64.46	**52.93**
Current		
Lease Liabilities	20.06	18.33
	20.06	**18.33**
	84.52	**71.26**
Movement in Lease Liabilities:		
Balance at the beginning of the year	71.26	51.55
Addition through business combinations	-	0.25
Addition	33.62	35.80
Remeasurement of lease liabilities	(1.52)	(0.36)
Interest expenses on lease liabilities	4.02	3.13
Repayment	(23.90)	(21.77)
Foreign currency translation	1.04	2.66
Balance at the end of the year	**84.52**	**71.26**

Notes forming part of the Consolidated Financial Statements

21 Lease Liabilities (Continued)

Amounts with respect to leases recognised in the Statement of Profit and Loss and Statement of Cash Flows :

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in Statement of Profit and Loss		
Interest expenses on lease liabilities (Refer note 32)	4.02	3.13
Depreciation on right-of-use assets (Refer note 33)	22.29	20.38
Expenses relating to short-term leases	15.81	9.89
Expenses relating to leases of low-value assets	1.61	1.60
Variable lease payments	14.83	16.01
Amounts recognised in statement of Cash Flows:		
In Financing activity		
Repayment of lease liabilities (Including Interest)	(23.90)	(21.77)
In Operating activity		
Payment of lease rentals	(32.24)	(27.49)

Maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Due in Year 0 to 1	22.16	20.71
Due in Year 1 to 2	18.36	18.83
Due in Year 3 to 5	33.93	23.93
Due after Year 5	35.54	22.14
Total	**109.99**	**85.61**

22 Provisions

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits		
Post-retirement benefits (Refer note 36)	83.60	78.81
Leave benefits	117.21	102.66
	200.81	**181.47**
Provision for sales returns (Refer note (i))	226.56	203.00
Provision for expenses (Refer note (ii))	17.32	8.59
	444.69	**393.06**
Current		
Provision for employee benefits		
Post-retirement benefits (Refer note 36)	3.43	3.16
Leave benefits	19.99	20.15
	23.42	**23.31**

Notes forming part of the Consolidated Financial Statements

22 Provisions (Continued)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Provision for sales returns (Refer note (i))	245.95	244.87
Provision for expenses (Refer note (ii))	2.02	3.28
Provision for failure to supply (Refer note (iii))	110.66	108.92
Provision for medicaid (Refer note (iv))	18.09	13.33
	400.14	**393.71**
	844.83	**786.77**

(i) Provision for sales returns :

The Group, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms. The timing of outflow will depend on the shelf life expiry and time taken by the customer to return the goods.

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	447.87	389.27
Add: Provision made during the year	272.10	280.76
Less: Provision utilised during the year	(250.21)	(244.73)
Add: Recognised on account of business combination (Refer note 42)	-	10.63
Add : Translation exchange difference	2.75	11.94
Balance at the end of the year	**472.51**	**447.87**
Non-current	226.56	203.00
Current	245.95	244.87
Total	**472.51**	**447.87**

(ii) Provision for expenses :

(a) Non-current :

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. The timing of the outflow will depend on the final outcome of the litigations.

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	8.59	12.48
Add: Additional provision (net of reversal)	8.51	(3.89)
Add : Translation exchange difference	0.22	(0.00)
Balance at the end of the year	**17.32**	**8.59**

Notes forming part of the Consolidated Financial Statements

22 Provisions (Continued)

(b) Current :

Provision for expenses includes estimated amount of liability pertaining to certain contractual obligations and product recall expenses. These claims are expected to be settled in the next financial year.

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	3.28	26.93
Add: Additional provision (net of reversal)	-	-
Less: Utilisation during the year	(1.30)	(25.34)
Add : Translation exchange difference	0.04	1.69
Balance at the end of the year	**2.02**	**3.28**

(iii) Provision for failure to supply :

The Group has a contractual obligation to pay compensation against failure to supply in certain cases. Provisions are estimated based on evaluation of likely claims on short supplies by the Group. These claims are expected to be settled in the next financial year.

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	108.92	139.15
Add: Addition during the year	39.13	31.89
Less: Reversal during the year	(21.64)	(50.84)
Less: Utilisation during the year	(16.85)	(17.90)
Add / (Less): Translation exchange difference	1.10	6.62
Balance at the end of the year	**110.66**	**108.92**

(iv) Provision for medicaid :

Pharmaceutical manufacturers whose products are covered by the Medicaid program of the USA are required to provide rebate to each state a percentage of the average manufacturer's price for the products dispensed. Medicaid rebates are estimated based on historical trends of rebates paid. These claims are expected to be settled in the next financial year.

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	13.33	6.38
Add: Additional provision (net of reversal)	30.28	31.80
Less: Utilisation during the year	(25.75)	(25.52)
Add : Translation exchange difference	0.23	0.67
Balance at the end of the year	**18.09**	**13.33**

Notes forming part of the Consolidated Financial Statements

23 Income Taxes

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Charge/(credit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	470.28	354.77
For prior years	(8.55)	19.54
	461.73	**374.31**
Deferred tax:		
Deferred tax charge for current year	220.47	227.62
For prior years	13.53	-
	234.00	**227.62**
	695.73	**601.93**
(b) Charge / (credit) recognised in other comprehensive income :		
Re-measurement (losses) / gains on defined benefit plans	0.60	(4.60)
Fair valuation of equity instruments	3.79	(0.13)
Effective portion on gains / (losses) on hedging instruments in a cash flow hedge(net)	(20.25)	38.14
	(15.86)	**33.41**
(c) Reconciliation of Effective Tax Rate :		
Profit before income taxes	2,352.11	1,847.16
Enacted tax rate in India	34.94%	34.94%
Expected income tax expenses	**821.92**	**645.47**
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of deductions allowed under Income Tax	(119.69)	(44.30)
Tax impact on future transition to new tax regime	(44.58)	(20.01)
Effect of expenses not deductible in determining taxable profit	47.99	40.04
Foreign exchange difference	(6.07)	(32.50)
Effect of difference between Indian tax rate and foreign tax rate	(31.44)	(16.50)
Tax adjustments of prior periods	4.98	19.54
Others (net)	22.62	10.19
Adjusted income tax expenses	**695.73**	**601.93**
Effective Tax Rate	29.58%	32.59%

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(d) Deferred tax relates to:		
Deferred tax liabilities :		
Property, plant and equipment, goodwill and other intangible assets	1,051.57	916.31
Cash flow hedge reserve	5.39	-
Deferred tax assets :		
Provision for employee benefit expense	(69.99)	(58.82)
Valuation of inventories	(102.86)	(77.47)
Provision for expenses	(137.40)	(100.54)
Provision for chargebacks	(76.00)	(87.97)
Tax losses of subsidiaries	(184.02)	(122.45)

Notes forming part of the Consolidated Financial Statements

23 Income Taxes (Continued)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
MAT Credit entitlement	(310.18)	(527.42)
Unrealised profit in inventory	(66.54)	(43.05)
Cash flow hedge reserve	-	(14.86)
Others	(9.05)	(25.46)
Deferred tax liabilities / (assets) (net)	**100.92**	**(141.73)**

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:

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	656.05	401.94
Deferred tax assets	555.13	543.67
	100.92	**(141.73)**

Amount of ₹184.02 crores pertains to deferred tax asset created on tax losses of subsidiaries. The Group, based on future taxable income generation projections, expects to realise the same in future periods.

Amount of ₹ Nil (previous year ₹2.85 crores) pertains to deferred tax asset not recognised on unused tax losses of subsidiary as at March 31,2024 in the absence of reasonable certainty of its realisation in future.

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

In assessing the realisation of deferred tax assets, management considers that ultimate realisation of deferred tax depends on the generation of future taxable income during the period in which deferred tax assets become deductible. Based on the trend of historical taxable income and projection for future taxable income over the period in which the deferred tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. Accordingly, amount of deferred tax assets are considered realisable.

(e) Movement of deferred tax liabilities / (assets) during the year:

(₹ in crores)

Year ended March 31, 2024	Opening balance as at April 1, 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	Foreign exchange difference	Closing balance as at March 31, 2024
Deferred tax liabilities / (assets) in relation to:					
Property, plant and equipment, goodwill and other intangible assets	916.31	136.32	-	(1.06)	1,051.57
Cash flow hedge reserve	(14.86)	-	20.25	-	5.39
Provision for employee benefit expense	(58.82)	(10.09)	(0.60)	(0.48)	(69.99)
Valuation of inventories	(77.47)	(24.13)	-	(1.26)	(102.86)
Provision for expenses	(100.53)	(36.17)	-	(0.70)	(137.40)
Provision for chargebacks	(87.97)	13.17	-	(1.20)	(76.00)
Tax losses of subsidiaries	(122.45)	(59.33)	-	(2.24)	(184.02)
MAT credit entitlement	(527.42)	217.24	-	-	(310.18)
Unrealised profit in Inventory	(43.05)	(23.51)	-	0.02	(66.54)
Others	(25.47)	20.50	(3.79)	(0.29)	(9.05)
Deferred tax liabilities / (assets) (net)	**(141.73)**	**234.00**	**15.86**	**(7.21)**	**100.92**

Notes forming part of the Consolidated Financial Statements

23 Income Taxes (Continued)

(₹ in crores)

Year ended March 31, 2023	Opening balance as at April 1, 2022	On account of business combination (Refer note 42)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Foreign exchange difference	Closing balance as at March 31, 2023
Deferred tax liabilities / (assets) in relation to:						
Property, plant and equipment, goodwill and other intangible assets	883.09	(2.63)	42.21	-	(6.36)	916.31
Cash flow hedge reserve	23.28	-	-	(38.14)	-	(14.86)
Provision for employee benefit expense	(55.37)	(2.38)	(5.12)	4.60	(0.55)	(58.82)
Valuation of inventories	(62.39)	-	(10.92)	-	(4.16)	(77.47)
Provision for expenses	(94.07)	-	(2.23)	-	(4.25)	(100.53)
Provision for chargebacks	(101.53)	-	22.72	-	(9.16)	(87.97)
Tax losses of subsidiaries	(101.36)	-	(15.08)	-	(5.99)	(122.45)
MAT credit entitlement	(724.06)	-	196.64	-	-	(527.42)
Unrealised profit in Inventory	(39.46)	-	(3.59)	-	-	(43.05)
Others	(28.22)	-	2.99	0.13	(0.37)	(25.47)
Deferred Tax arising on account of business combination (Refer note 39 (ii) & 42)	-	458.52	(458.52)	-	-	-
Deferred tax liabilities / (assets) (net)	**(300.09)**	**453.51**	**(230.90)**	**(33.41)**	**(30.84)**	**(141.73)**

24 Trade Payables

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)	16.12	17.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,073.20	1,660.84
	2,089.32	**1,678.80**

(i) Trade Payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023

(₹ in crores)

As at March 31, 2024	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	13.38	2.51	0.01	0.01	0.21	16.12
(ii) Others	1,317.28	582.47	165.19	2.87	0.91	2.34	2,071.06
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	2.14	2.14
Total	**1,317.28**	**595.85**	**167.70**	**2.88**	**0.92**	**4.69**	**2,089.32**

(₹ in crores)

As at March 31, 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	13.24	4.26	0.09	0.07	0.30	17.96
(ii) Others	1,121.90	428.32	101.08	4.14	0.62	2.67	1,658.73
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	2.11	2.11
Total	**1,121.90**	**441.56**	**105.34**	**4.23**	**0.69**	**5.08**	**1,678.80**

Notes forming part of the Consolidated Financial Statements

25 Other Financial Liabilities

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-Current		
Creditors for capital goods	5.60	6.37
Security deposits	3.40	5.39
Derivative financial instruments	0.24	9.11
	9.24	**20.87**
Current		
Interest accrued but not due on borrowings	38.17	60.80
Creditors for capital goods	19.68	44.17
Payables for employee benefits	186.16	175.97
Unclaimed dividend	3.86	4.80
Book overdraft	17.43	46.25
Derivative financial instruments	1.19	79.21
Other payables (includes unspent CSR obligation, etc.)	18.17	9.78
	284.66	**420.98**
	293.90	**441.85**

26 Other Liabilities

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Non-Current		
Deferred government grant	0.96	1.46
	0.96	**1.46**
Current		
Trade advances (Refer note (i))	4.50	1.33
Payables to statutory and other authorities	110.58	92.31
Deferred Government grant	0.50	0.50
Other payables	13.92	8.95
	129.50	**103.09**
	130.46	**104.55**

(i) The group has recognised revenue of ₹0.39 crore (Previous year ₹2.04 crores) from the amounts included under trade advances at the beginning of the year.

Notes forming part of the Consolidated Financial Statements

27 Revenue From Operations

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Sales		
In India	6,001.62	5,294.84
Outside India	4,560.69	4,168.85
	10,562.31	**9,463.69**
Other operating income		
Export benefits	38.25	24.38
Income from product registration dossiers	3.06	3.72
Compensation and settlement income	15.26	38.32
Government grant income	0.50	1.35
Production linked incentive income	84.16	57.48
Miscellaneous operating income	24.30	31.21
	165.53	**156.46**
	10,727.84	**9,620.15**
Reconciliation of revenue from operations with the contracted price :		
Contracted price	16,570.14	16,195.99
Adjustments :		
Chargeback, rebates and discounts	(5,705.45)	(6,419.74)
Sales return	(272.10)	(280.76)
Others	(30.28)	(31.80)
Sales	**10,562.31**	**9,463.69**
Add : Other operating income	165.53	156.46
Revenue from operations	**10,727.84**	**9,620.15**

Revenue disaggregation by geography has been included in segment reporting (Refer note 37).

Revenue from operations also includes contract manufacturing revenue of ₹532.07 crores and ₹481.68 crores for the year ended March 31, 2024 and March 31, 2023 respectively.

28 Other Income

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	11.48	14.78
Net gain on sale of investments (including gain/(loss) on fair valuation ₹(0.13) crores and ₹0.14 crores for year ended March 31, 2024 and March 31, 2023 respectively)	17.99	19.51
Net foreign exchange (loss) / gain (including gain on hedging)	(3.91)	(18.08)
(Gain)/loss on sale of Property, Plant and Equipment and other intangible assets (net)	(0.02)	21.62
Other non-operating income	32.37	7.31
	57.91	**45.14**

Notes forming part of the Consolidated Financial Statements

29 Cost of Materials Consumed

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials	1,430.33	1,258.43
Packing materials	227.26	221.99
	1,657.59	**1,480.42**

30 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventory :		
Finished goods	859.71	1,013.08
Work-in-progress	116.47	177.59
Stock-in-trade	443.71	372.79
	1,419.89	**1,563.46**
Add: On account of business combination (Refer note 42)		
Stock-in-trade	-	22.62
	-	**22.62**
Less : Closing inventory :		
Finished goods	980.84	859.71
Work-in-progress	140.95	116.47
Stock-in-trade	453.11	443.71
	1,574.90	**1,419.89**
Changes in inventory	**(155.01)**	**166.19**

31 Employee Benefits Expense

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	1,695.22	1,432.61
Contribution to provident and other funds	178.40	153.11
Gratuity and other retirement benefit cost (Refer note 36)	33.87	29.00
Staff welfare expenses	76.91	62.97
	1,984.40	**1,677.69**

32 Finance Costs

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense	348.61	329.11
Interest expenses on lease liabilities	4.02	3.13
Other borrowing cost	0.93	1.20
	353.56	**333.44**

Notes forming part of the Consolidated Financial Statements

33 Depreciation and Amortisation Expense

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	230.09	205.09
Amortisation of other intangible assets	542.92	476.56
Depreciation on right-of-use assets	22.29	20.38
Impairment of other intangible assets and intangible asset under development	12.97	4.56
	808.27	**706.59**

34 Other Expenses

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Selling, publicity and medical literature expenses	1,129.68	1,026.99
Laboratory goods and testing expenses	121.57	141.04
Power and fuel	145.20	155.28
Travelling, conveyance and vehicle expenses	205.59	158.14
Clinical research expense	24.73	31.27
Stores and spares consumed	101.52	92.50
Professional and legal fees	185.08	137.20
Cost of outsourced manpower	95.50	83.99
Allowance for expected credit loss (net)	7.08	2.27
Auditors remuneration and expenses	5.15	4.66
Commission to non-executive directors	2.85	3.40
Donation	50.68	29.85
Corporate social responsibility expenditure	32.90	26.73
General charges	582.05	471.90
	2,689.58	**2,365.22**

35 Earnings Per Share

		Year ended March 31, 2024	Year ended March 31, 2023
The basic and diluted earnings per share (EPS) are:			
Net profit for the year (a)	(₹ in crores)	1,656.38	1,245.23
Weighted average number of equity shares (b)	(Nos.)	33,84,45,440	33,84,45,440
EPS (basic and diluted) (a) / (b)	₹	48.94	36.79
Face value per equity share	₹	5.00	5.00

Notes forming part of the Consolidated Financial Statements

36 Employee Benefits

A Defined Contribution Plan

The Parent company's contribution to provident fund and superannuation fund aggregating to ₹96.08 crores (Previous year ₹84.31 crores) has been recognised in the consolidated statement of profit and loss under the head employee benefits expenses (Refer note 31).

B Defined Benefit Plan

The accruing liability on account of retirement benefit plans (in the nature of defined benefits plan) is accounted as per Ind-AS 19 "Employee Benefits".

General description of the plans :

(i) **Gratuity:** In accordance with Indian law, the Parent Company operates a scheme of gratuity which is a defined benefit plan('the Gratuity Plan') covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death and incapacitation while in employment, termination of employment. The level of benefits provided depends on the respective employees' tenure of employment and last drawn salary. The Parent Company manages the plan through a trust. Trustees administer contributions made to the trust. The defined benefit plan exposes the parent company to actuarial risks such as interest rate risk, investment risk and salary risk.

(ii) **Pension:** The liability in respect of employees pension benefits in Germany accrues and gets discharged as per the terms and conditions 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.

(iii) **Retirement Benefit Plan:** Philippines subsidiary has a non-contributory defined benefit retirement plan covering all of its regular employees. The benefits are based on respective employee's salary and the tenure of employment.

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

(₹ in crores)

	Year ended March 31, 2024				Year ended March 31, 2023			
	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	323.49	70.35	7.13	4.49	294.48	82.89	6.73	3.03
Amount transferred consequent to Amalgamation	-	-	-	-	6.53	-	-	-
Current service cost	27.93	0.21	0.75	1.88	25.42	0.26	0.79	1.22
Interest cost	23.86	2.82	0.44	0.43	20.41	1.70	0.37	0.29
Liability transferred in	0.05	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

36 Employee Benefits (Continued)

(₹ in crores)

	Year ended March 31, 2024				Year ended March 31, 2023			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
Liability transferred out	(0.01)	-	-	-	-	-	-	-
Actuarial (gains) / losses	10.90	2.39	0.25	0.46	(0.30)	(16.47)	(0.78)	0.57
Benefits paid directly by the employer	(1.03)	(2.98)	-	(2.38)	(1.34)	(2.54)	-	(1.23)
Benefits paid from the fund	(21.99)	-	-	-	(21.71)	-	-	-
Translation exchange difference	-	0.48	(0.13)	0.44	-	4.51	0.02	0.61
Obligations at the end of the year	**363.20**	**73.27**	**8.44**	**5.32**	**323.49**	**70.35**	**7.13**	**4.49**
(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	329.40	-	-	-	300.75	-	-	-
Addition due to business combination	-	-	-	-	1.10	-	-	-
Interest income	24.40	-	-	-	20.77	-	-	-
Return on plan assets, excluding interest income	11.58	-	-	-	(8.06)	-	-	-
Contributions	33.61	-	-	-	36.55	-	-	-
Benefits paid	(21.99)	-	-	-	(21.71)	-	-	-
Plan assets at the end of the year, at fair value	**377.00**	**-**	**-**	**-**	**329.40**	**-**	**-**	**-**
Actual return on plan assets	**35.98**	**-**	**-**	**-**	**12.71**	**-**	**-**	**-**
(c) Expense recognised in the consolidated statement of profit and loss for the year :								
Current service cost	27.93	0.21	0.75	1.88	25.42	0.26	0.79	1.22
Net Interest on net defined benefit liability	(0.54)	2.82	0.44	0.43	(0.36)	1.70	0.37	0.29
Net gratuity and other retirement benefit cost *	**27.39**	**3.03**	**1.19**	**2.31**	**25.06**	**1.96**	**1.16**	**1.51**

* ₹0.07 crores (previous year ₹0.69 crores) capitalised as pre-operative expenses out of above amount.

Notes forming part of the Consolidated Financial Statements

36 Employee Benefits (Continued)

(₹ in crores)

	Year ended March 31, 2024				Year ended March 31, 2023			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(d) (Gains) / losses recognised in other comprehensive income for the year :								
Actuarial (gains) / losses	10.90	2.39	0.25	0.46	(0.30)	(16.47)	(0.78)	0.57
Return on plan assets, excluding interest income	(11.58)	-	-	-	8.06	-	-	-
	(0.68)	**2.39**	**0.25**	**0.46**	**7.76**	**(16.47)**	**(0.78)**	**0.57**
(e) Reconciliation of the present value of the defined benefit obligation and fair value of plan assets :								
Obligations at the end of the year	363.20	73.27	8.44	5.32	323.49	70.35	7.13	4.49
Plan assets at the end of the year, at fair value	(377.00)	-	-	-	(329.40)	-	-	-
(Asset) / Liability recognised in balance sheet	**(13.80)**	**73.27**	**8.44**	**5.32**	**(5.91)**	**70.35**	**7.13**	**4.49**
(f) Remeasurement of net defined benefit liability / (asset) :								
Actuarial (gains) / losses :								
Changes in demographic assumptions	-	-	-	-	0.57	-	(0.25)	-
Changes in financial assumptions	4.56	3.77	0.04	0.06	(9.73)	(18.09)	(0.80)	0.13
Experience adjustments	6.34	(1.38)	0.21	0.39	8.86	1.62	-	0.40
Remeasurement of defined benefit liability	**10.90**	**2.39**	**0.25**	**0.46**	**(0.30)**	**(16.47)**	**(1.05)**	**0.53**
Remeasurement of return on plan assets	(11.58)	-	-	-	8.06	-	-	-
Total	**(0.68)**	**2.39**	**0.25**	**0.46**	**7.76**	**(16.47)**	**(1.05)**	**0.53**
(g) Expected contribution/ outflow for the next year	17.23	3.43	0.05	0.90	15.57	3.16	0.45	0.72

Notes forming part of the Consolidated Financial Statements

36 Employee Benefits (Continued)

	Year ended March 31, 2024				Year ended March 31, 2023			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(h) Assumptions :								
Discount rate	7.21%	3.66%	6.25%	9.50%	7.41%	4.09%	5.50%	9.75%
Salary escalation rate	10.00%	2.50%	6.00%	4.50%	10.00%	2.50%	6.00%	4.50%
Employee turnover rate	10.00%	NA	NA	NA	10.00%	NA	NA	NA

	Year ended March 31, 2024				Year ended March 31, 2023			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(i) Weighted average duration of defined benefit obligation	8 years	13 Years	10.70 years	5.31 years	8 years	13 years	11 years	5.26 years

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

For gratuity plan, future mortality rates are obtained from relevant table of Indian Assured Lives Mortality 2012-14 (Urban).

(j) Sensitivity Analysis for each significant actuarial assumption :

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in crores)

	Year ended March 31, 2024				Year ended March 31, 2023			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
Impact of increase in discount rate by 1%	(21.77)	(8.31)	(0.78)	(0.25)	(19.41)	(7.96)	(0.68)	(0.21)
Impact of decrease in discount rate by 1%	24.54	10.17	0.92	0.27	21.90	9.74	0.80	0.23
Impact of increase in salary escalation rate by 1%	23.65	0.22	0.91	0.24	21.10	0.21	0.80	0.20
Impact of decrease in salary escalation rate by 1%	(21.43)	(0.21)	(0.79)	(0.22)	(19.13)	(0.20)	(0.69)	(0.18)
Impact of increase in employee turnover rate by 1%	(4.08)	NA	NA	NA	(3.39)	NA	NA	NA
Impact of decrease in employee turnover rate by 1%	4.51	NA	NA	NA	3.75	NA	NA	NA

Notes forming part of the Consolidated Financial Statements

36 Employee Benefits (Continued)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(k) Investment details of plan assets (Gratuity) :

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

	As at March 31, 2024	As at March 31, 2023
Equity instruments	8.88%	8.24%
Corporate bonds	37.19%	48.27%
Government securities	47.48%	29.98%
Other investments and net current assets	6.45%	13.51%

(l) Maturity profile :

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(₹ in crores)

	Undiscounted values			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
1st following year	38.69	3.43	0.05	0.90
2nd following year	35.67	3.56	0.30	0.99
3rd following year	38.76	3.59	2.01	1.07
4th following year	37.65	3.73	0.28	1.18
5th following year	30.91	3.82	1.77	1.28
Thereafter	160.21	20.95	2.45	7.38

(m) Asset-liability matching strategies :

In respect of gratuity plan, the Parent Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

Notes forming part of the Consolidated Financial Statements

37 Segment Reporting

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Generic Formulation Business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

Entity - wide disclosures :

(i) Revenues from external customers :

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
India	6,109.42	5,369.59
Outside India :		
USA	1,077.69	1,162.06
Germany	1,074.03	927.69
Brazil	1,126.14	935.46
Other countries	1,340.56	1,225.35
Total	**10,727.84**	**9,620.15**

Revenue from external customer is allocated based on the location of the customer.

(ii) Non-current assets :

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
India	8,222.48	8,684.10
Outside India :		
USA	26.89	28.68
Germany	162.00	100.98
Brazil	55.15	34.58
Other countries	47.48	60.98
Total	**8,514.00**	**8,909.32**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and capital advances. It is allocated based on the geographic location of the respective assets.

(iii) Major customers :

The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2024 and March 31, 2023.

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments

(i) Financial assets and liabilities

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crores)

As at March 31, 2024	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets :					
Amortised cost :					
Cash and cash equivalents	835.14	-	-	-	-
Bank balances other than cash and cash equivalents	3.90	-	-	-	-
Trade receivables	1,844.30	-	-	-	-
Investments	0.01	-	-	-	-
Loans	5.56	-	-	-	-
Other financial assets	208.01	-	-	-	-
Fair value through other comprehensive income :					
Investment in equity instruments	31.87	0.08	-	31.79	31.87
Fair value through profit or loss :					
Investment in mutual funds	140.96	140.96	-	-	140.96
Derivative instruments :					
Designated as cash flow hedge	15.66	-	15.66	-	15.66
Fair value through profit and loss	13.88	-	13.88	-	13.88
Total	**3,099.29**	**141.04**	**29.54**	**31.79**	**202.37**
Financial liabilities :					
Amortised cost :					
Borrowings	3,937.42	-	-	-	-
Trade payables	2,089.32	-	-	-	-
Other financial liabilities	292.47	-	-	-	-
Lease liabilities	84.52	-	-	-	-
Derivative instruments :					
Designated as cash flow hedge	0.24	-	0.24	-	0.24
Fair value through profit and loss	1.19	-	1.19	-	1.19
Total	**6,405.16**	**-**	**1.43**	**-**	**1.43**

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

(₹ in crores)

As at March 31, 2023	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets :					
Amortised cost :					
Cash and cash equivalents	508.53	-	-	-	-
Bank balances other than cash and cash equivalents	62.93	-	-	-	-
Trade receivables	1,943.82	-	-	-	-
Investments	0.01	-	-	-	-
Loans	4.21	-	-	-	-
Other financial assets	157.09	-	-	-	-
Fair value through other comprehensive income :					
Investment in equity instruments	42.72	0.03	-	42.69	42.72
Fair value through profit or loss :					
Investment in mutual funds	156.06	156.06	-	-	156.06
Total	**2,875.37**	**156.09**	**-**	**42.69**	**198.78**
Financial liabilities :					
Amortised cost :					
Borrowings	5,297.30	-	-	-	-
Trade payables	1,678.80	-	-	-	-
Other financial liabilities	353.53	-	-	-	-
Lease liabilities	71.26	-	-	-	-
Derivative instruments :					
Designated as cash flow hedge	42.52	-	42.52	-	42.52
Fair value through profit and loss	45.80	-	45.80	-	45.80
Total	**7,489.21**	**-**	**88.32**	**-**	**88.32**

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Investment in mutual funds : The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments : Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the expected discounted cash flows from the underlying net assets or current market value of net assets.

Derivative instruments : For forward contracts, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of respective counterparties.

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

Significant Techniques and Unobservable Inputs Used for Level 2 / Level 3 Fair Valuation Measurement:

As at March 31, 2024	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase by 5%	Decrease by 5%
Level 2				
Derivative financial instrument	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable	
Level 3				
Investment in equity instrument	Net asset value method	Equity value	Increase in asset by ₹ 1.13 crores	Decrease in asset by ₹ 1.13 crores

Reconciliation of Level 3 fair value measuremets of financial asset and financial liabilities is given below:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Movement in level 3 valuations :		
Balance at the beginning of the year	42.69	42.32
Fair value loss recorded in consolidated statement of profit and loss	(10.90)	0.37
Balance at the end of the year	**31.79**	**42.69**

(ii) Derivative financial instruments

Cash flow hedges :

Derivatives are taken to cover foreign exchange risk of highly probable forecasted sales transactions occurring in foreign currencies. The following are outstanding derivative contracts designated as cash flow hedges :

Nature of Derivative contracts	Buy / Sell	Deal Currency	Cross Currency	Weighted average strike price/rate		Net position (Amount in crores)		Fair value gain / (loss) (₹ in crores)	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Forward	Sell	USD	INR	85.49	83.58	31.24	30.43	17.89	(22.21)
Forward	Sell	EUR	USD	1.11	1.07	5.44	5.39	3.29	(14.11)
Forward	Sell	GBP	USD	1.25	1.22	0.79	0.83	(1.14)	(1.55)
Forward	Sell	MXN	USD	0.05	0.05	6.80	5.25	(2.39)	(2.72)
Forward	Sell	MYR	USD	0.22	0.22	4.79	3.48	1.02	(1.62)
Forward	Sell	RUB	USD	0.01	0.01	47.80	59.83	(3.29)	(0.26)
Forward	Sell	THB	USD	0.03	0.03	1.12	0.56	0.04	(0.05)
								15.42	**(42.52)**
Less : Deferred tax								5.39	(14.86)
Balance in cash flow hedge reserve								**10.03**	**(27.66)**

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

Maturity profile of nominal value based on the remaining period as at the Balance Sheet date :

(Amount in crores)

Currency	Nature of Derivative contracts	March 31, 2024		March 31, 2023	
		Within 1 Year	More than 1 year	Within 1 Year	More than 1 year
USD	Forward	15.18	16.06	15.32	15.11
EUR	Forward	3.44	2.00	3.44	1.95
GBP	Forward	0.29	0.50	0.32	0.50
MXN	Forward	3.20	3.60	2.95	2.30
MYR	Forward	2.41	2.39	1.50	1.98
RUB	Forward	47.80	-	53.17	6.67
THB	Forward	0.05	1.07	0.26	0.30

The movement of cash flow hedges in other comprehensive income is as follows:

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	(27.66)	43.35
Losses / (gains) transferred to profit or loss	(13.18)	74.25
Deferred tax on (gains) / losses reclassified to profit or loss	4.61	(25.95)
Change in the fair value of effective portion of cash flow hedges	71.12	(183.40)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(24.86)	64.09
Balance at the end of the year	**10.03**	**(27.66)**

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to ₹ Nil (Previous year ₹ Nil).

(iii) Financial risk management

The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk :

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

(a1) Foreign currency exchange rate risk :

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the respective consolidated entities. Since a major part of the Group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Group's performance. Consequently, the overall objective of the foreign currency risk management is to minimise the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

The major foreign currency exposures for the Group are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Group hedges trade receivables and future cash flows upto a maximum of 24 months forward based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1 based on management's current assessment. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from non- derivative financial instruments:

(₹ in crores)

As at March 31, 2024	US Dollar	Euro	Others*	Total
Assets :				
Cash and cash equivalents	33.40	448.71	248.22	730.33
Trade receivables	503.19	374.42	615.50	1,493.11
Other assets	22.38	88.86	16.74	127.98
Total	**558.97**	**911.99**	**880.46**	**2,351.42**
Liabilities :				
Borrowings	604.45	-	-	604.45
Trade payables	159.79	1,185.03	100.92	1,445.74
Other liabilities	21.20	20.01	45.62	86.83
Lease liabilities	10.30	21.63	42.83	74.76
Total	**795.74**	**1,226.67**	**189.37**	**2,211.78**
Net assets / (liabilities)	**(236.77)**	**(314.68)**	**691.09**	**139.64**

(₹ in crores)

As at March 31, 2023	US Dollar	Euro	Others*	Total
Assets :				
Cash and cash equivalents	49.11	155.34	218.65	423.10
Trade receivables	696.93	338.17	578.48	1,613.58
Bank balances other than cash and cash equivalents	-	0.71	-	0.71
Other assets	15.15	75.58	10.21	100.94
Total	**761.19**	**569.80**	**807.34**	**2,138.33**
Liabilities :				
Borrowings	731.73	-	-	731.73
Trade payables	55.17	947.20	90.12	1,092.49
Other liabilities	22.03	17.64	52.80	92.47
Lease liabilities	11.71	24.39	25.34	61.44
Total	**820.64**	**989.23**	**168.26**	**1,978.13**
Net assets / (liabilities)	**(59.45)**	**(419.43)**	**639.08**	**160.20**

*Others mainly includes currencies namely British Pound, Mexican Peso, Russian Rouble.

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

With respect to the Group's derivative financial instruments which is in the form of forward contracts , a 5% increase / decrease in relation to USD & EURO of each of the currencies underlying such contracts would have resulted in increase /decrease of ₹94.87 crores and ₹102.85 crores in the Group's pre-tax profit or loss and ₹148.03 crores and ₹143.62 crores in pre-tax cash flow hedge reserve from such contracts as at March 31, 2024 and March 31, 2023 respectively.

With respect to the parent company's non-derivative financial instruments, a 5% increase / decrease in relation to USD & EURO on the underlying would have resulted in increase /decrease of ₹51.56 crores and ₹62.92 crores in the Group's net profit for the year ended March 31, 2024 and March 31, 2023 respectively.

With respect to the subsidiary's non-derivative financial instruments, a 5% increase / decrease in relation to the underlying currency would have resulted in increase /decrease of ₹8.09 crores and ₹34.27 crores in the Group's foreign currency translation reserve as at March 31, 2024 and March 31, 2023 respectively.

(a2) Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to fluctuations in interest rates in respect of foreign currency borrowings and rupee borrowings. The Group manages its interest rate risk by closely monitoring the movements in the market interest rates.

As at March 31, 2024, the Group has outstanding rupee borrowings of ₹2,935.08 crores and foreign currency borrowings of ₹ 604.46 crores (USD 72.5 Mn) with variable rate of interest and ₹ 400.00 crores with fixed rate of interest.

Cash flow risk in respect of variable rate instruments :

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increase/ (decrease) pre-tax profit or loss and pre-tax equity by ₹35.40 crore. This analysis assumes that all other variables remains constant and change occurs on reporting date. The year end balances are not representative of the average borrowings during the year.

Fair value risk in respect of fixed rate instruments :

The Group carries borrowings at amortised cost and hence, change in the interest rate at reporting date does not affect statement of profit or loss.

(b) Credit risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consist of trade receivables, investments and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses. Please refer note 15 for movement in expected credit loss and trade receivables aging.

The Group does not have significant concentration of credit risk related to trade receivables. There is 1 customer with outstanding balances of more than 10% of outstanding accounts receivable as at March 31, 2024 and March 31, 2023.

With respect to investments, the Group limits its exposure to credit risk by generally investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. Bank deposits are placed with banks with high credit rating. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments and bank deposits to be negligible.

With respect to derivatives, the Group's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,096.63 crores and ₹2,872.90 crores as at March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments and such financial assets are of good credit quality including those that are past due.

(c) Liquidity risk :

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in crores)

As at March 31, 2024	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	2,089.32	-	-	-	2,089.32
Borrowings*	2,333.64	585.14	791.50	229.26	3,939.54
Other financial Liabilities					-
Derivative financial liabilities	1.19	0.24	-	-	1.43
Others	283.47	9.00	-	-	292.47
Lease liabilities	20.06	16.64	27.36	20.46	84.52
Total	**4,727.68**	**611.02**	**818.86**	**249.72**	**6,407.28**

*Excluding amortised cost adjustment of ₹2.12 crores

Notes forming part of the Consolidated Financial Statements

38 Financial Instruments (Continued)

(₹ in crores)

As at March 31, 2023	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	1,678.80	-	-	-	1,678.80
Borrowings*	2,801.08	826.95	1,205.56	467.00	5,300.59
Other financial Liabilities					
Derivative financial liabilities	79.21	9.11	-	-	88.32
Others	341.77	11.76	-	-	353.53
Lease liabilities	18.33	14.12	20.51	18.30	71.26
Total	**4,919.19**	**861.94**	**1,226.07**	**485.30**	**7,492.50**

*Excluding amortised cost adjustment of ₹3.29 crores

(iv) Capital management

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group's objective for capital management is to maintain the capital structure which will support the Group's strategy to maximise shareholder's value, safeguarding the business continuity and help in supporting the growth of the Group. The net debt to equity ratio as at March 31, 2024 is 0.57 times (As at March 31, 2023 0.85 times).

39 Exceptional Items

(i) Exceptional item for the year ended March 31, 2024, relates to net gain from sale of the liquid facility in the US which was impaired during the earlier years. Against the carrying value of ₹15.46 crores classified as asset held for sale, the sales consideration was ₹104.03 crores.

(ii) Reversal of Deferred Tax Liability recorded on acquisition date

During the previous year, the Group acquired 100% of the equity shares of Curatio Health Care (I) Private Limited ("Curatio") and its two wholly owned subsidiaries, Curatio Inc., Philippines and Curatio International Lanka (PVT) Ltd, Sri Lanka on October 14, 2022 for a total consideration of ₹2,000 crores. This was determined to be a business combination as per Ind AS 103. Accordingly, the Group recognised the fair values of the identifiable net assets and liabilities as at the date of acquisition (Refer note 42). Pursuant to such recognition of assets and liabilities at fair value, the Group recognised a deferred tax liability, amounting to ₹458.52 crores, for difference between book base and tax base with a corresponding effect as part of Goodwill.

Subsequently, the parent Company applied to the National Company Law Tribunal ('NCLT') for merger of the Curatio. On May 17, 2023, the Group received the order of the merger with parent Company resulting in alignment between book base and its tax base. Consequently, the deferred tax liability and the corresponding goodwill so recognised on the acquisition date were reversed. The transaction being non-recurring in nature is disclosed as exceptional item.

Notes forming part of the Consolidated Financial Statements

40 Related Party Disclosures

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

(₹ in crores)

	Holding Company		Key Management Personnel / Independent Directors		Other related parties		Total	
(a) Nature of Transactions	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Remuneration to key management personnel / independent directors	**-**	**-**	**43.99**	**35.27**	**-**	**-**	**43.99**	**35.27**
Samir Mehta	-	-	26.00	23.00	-	-	26.00	23.00
Aman Mehta	-	-	6.59	2.06	-	-	6.59	2.06
Jinesh Shah	-	-	7.71	5.88	-	-	7.71	5.88
Independent Directors	-	-	3.69	4.33	-	-	3.69	4.33
Remuneration	**-**	**-**	**-**	**-**	**0.13**	**1.68**	**0.13**	**1.68**
Aman Mehta	-	-	-	-	-	1.68	-	1.68
Shaan Mehta	-	-	-	-	0.13	-	0.13	-
Contribution to gratuity / superannuation trust	**-**	**-**	**-**	**-**	**55.10**	**55.23**	**55.10**	**55.23**
TPL Employees Group Gratuity Trust	-	-	-	-	34.50	36.50	34.50	36.50
TPL Employees Superannuation Trust	-	-	-	-	20.60	18.73	20.60	18.73
Advance given to/(returned by) gratuity trust	**-**	**-**	**-**	**-**	**(0.16)**	**-**	**(0.16)**	**-**
TPL Employees Group Gratuity Trust	-	-	-	-	(0.16)	-	(0.16)	-
Lease rent paid	**0.02**	**0.02**	**-**	**-**	**-**	**-**	**0.02**	**0.02**
Torrent Investments Private Limited	0.02	0.02	-	-	-	-	0.02	0.02
Donation	**-**	**-**	**-**	**-**	**6.06**	**7.00**	**6.06**	**7.00**
UNM Foundation	-	-	-	-	6.06	7.00	6.06	7.00
CSR Expenditure	**-**	**-**	**-**	**-**	**19.90**	**24.96**	**19.90**	**24.96**
UNM Foundation	-	-	-	-	19.90	24.96	19.90	24.96
Purchase of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**0.96**	**-**	**0.96**
Torrent Electricals Private Limited	-	-	-	-	-	0.96	-	0.96
Sale of property,plant and equipment	**-**	**-**	**-**	**-**	**-**	**153.53**	**-**	**153.53**
Torrent Gas Limited[1]	-	-	-	-	-	149.18	-	149.18
UNM Foundation	-	-	-	-	-	4.35	-	4.35
Recovery of expenses	**-**	**-**	**-**	**-**	**0.09**	**0.07**	**0.09**	**0.07**
Torrent Diagnostics Private Limited	-	-	-	-	0.09	0.07	0.09	0.07
Transfer of Gratuity and leave balance of employees transferred (in) / out (net)	**-**	**-**	**-**	**-**	**(0.09)**	**-**	**(0.09)**	**-**
Torrent Diagnostics Private Limited	-	-	-	-	0.01	-	0.01	-
Torrent Gas Limited	-	-	-	-	(0.10)	-	(0.10)	-

Notes forming part of the Consolidated Financial Statements

40 Related Party Disclosures (Continued)

(₹ in crores)

	Holding Company		Key Management Personnel / Independent Directors		Other related parties		Total	
(b) Balances at the end of the year	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Other receivables	**-**	**-**	**-**	**-**	**0.95**	**-**	**0.95**	**-**
UNM Foundation	-	-	-	-	0.95	-	0.95	-
Investment in equities	**-**	**-**	**-**	**-**	**0.05**	**0.05**	**0.05**	**0.05**
UNM Foundation	-	-	-	-	0.05	0.05	0.05	0.05
Trade payables	**-**	**-**	**-**	**-**	**0.10**	**-**	**0.10**	**-**
Torrent Gas Limited	-	-	-	-	0.10	-	0.10	-
Other payables	**-**	**-**	**28.41**	**26.04**	**-**	**-**	**28.41**	**26.04**
Samir Mehta	-	-	26.00	23.00	-	-	26.00	23.00
Independent Directors	-	-	2.41	3.04	-	-	2.41	3.04
Advances to group gratuity trust	**-**	**-**	**-**	**-**	**0.05**	**0.21**	**0.05**	**0.21**
TPL Employees Group Gratuity Trust	-	-	-	-	0.05	0.21	0.05	0.21

[1]Sale of property, plant and equipment which was earlier classified as held for sale.

Transactions with related parties do not include transactions with Torrent Power Limited (fellow subsidiary), being a public utility engaged in distribution of electricity. Transactions entered with Torrent Power Limited are in nature of purchase of electricity and other related transactions and the tariff charges are determined by an independent regulatory authority.

Names of related parties having transactions and/or balances :

1	Holding Company	Torrent Investments Private Limited
2	Key Management Personnel / Independent Directors	Samir Mehta
		Aman Mehta (with effect from August 1, 2022)
		Jinesh Shah
		Shailesh Haribhakti
		Haigreve Khaitan
		Ameera Shah
		Dr. Maurice Chagnaud (with effect from May 11, 2022)
		Manish Choksi (with effect from July 29, 2022)
		Nikhil Khattau (with effect from October 1, 2023)
		Nayantara Bali
3	Other related parties	Aman Mehta (Upto July 31, 2022)
		Shaan Mehta (with effect from December 1, 2023)
		TPL Employees Group Gratuity Trust
		TPL Employees Superannuation Trust
		UNM Foundation
		Torrent Electricals Private Limited (Formerly known as TCL Cables Private Limited)
		Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)
		Torrent Diagnostics Private Limited

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on an arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Notes forming part of the Consolidated Financial Statements

40 Related Party Disclosures (Continued)

(c) Remuneration to Key Management Personnel / Independent Directors :

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Short term employee benefits*	43.55	35.27
Post-employment benefits	0.44	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total	**43.99**	**35.27**

* Includes remuneration to Non-executive directors amounting to ₹3.69 crores (Previous year ₹4.33 crores)

Post-employment benefits for the year ended March 31, 2024 comprises of Gratuity and leave encashment provisions derived based on expenses recognised in statement of profit and loss that is attributable to Key management personnel (KMP). Such benefits are payable at the time of cessation of the employment and hence is not added to the payable balances of the KMPs.

41 Commitments and Contingencies

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Commitments:		
Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for	417.62	468.18
	417.62	**468.18**
Contingent liabilities:		
(a) Claims against the Group not acknowledged as debts :		
Disputed demand of Income tax	1.60	1.60
Disputed employee state insurance contribution liability under E.S.I. Act, 1948	16.76	16.08
Disputed demand of Goods and Services Tax / Excise duty	128.89	121.95
Disputed demand of local sales tax and C.S.T	0.24	0.24
Disputed demand of stamp duty and registration charges	3.43	3.43
Disputed cases at labour court / industrial court	6.27	7.28
Disputed bonus liability under Payment of Bonus (Amendment) Act, 2015	0.25	0.25
	157.44	**150.83**

Notes forming part of the Consolidated Financial Statements

41 Commitments and Contingencies (Continued)

In most of the cases above, the relevant authorities have raised a demand or disallowed / deducted the relevant taxes. The Group has preferred an appeal and the outcome is awaited.

Against the claims not acknowledged as debts, the Group has paid ₹3.94 crores (previous year ₹3.96 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 Parent Company and/or its subsidiaries ('the Company' or 'Torrent') are involved in certain legal proceedings, including product liability matters wherein there are two Multi-District Litigations ("MDL") pending against Torrent and other manufacturers for Valsartan and Losartan in which the district court in the valsartan MDL has ordered bellwether trial in third-party payor economic loss class action against Torrent and other two defendants, and other commercial matters, that arise from time to time in the ordinary course of business. It is difficult to ascertain the financial effect, if any, of such proceedings that will result from its ultimate disposition due to involvement of complex issues with substantial uncertainties and without any precedents. Additionally, many factors like stage of the proceedings, overall length and extent of discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation; uncertainty in timing of litigation and any other factors that may have an implication on the ultimate outcome of the ongoing litigations. The Company assesses likely outcome based on internal assessment as well as considers views of legal counsel representing the Company. Moreover, Company carries product liability insurance policy of amount which it believes to be sufficient for its needs.

(c) In view of amendment in Section 37(1) of Income Tax Act, 1961 introduced in Finance Act, 2022, it is possible that the Company may get involved in the litigation on allowability of certain expenses in relation to the years for which assessment proceedings have not commenced. It is difficult to ascertain the financial effects from such future proceedings, if any, that will result in to its ultimate disposition. The Company assesses likely outcome based on internal assessment as well as considers views of external consultants representing the Company.

42 Acquisition and Amalgamation Of Curatio Health Care (I) Private Limited

During the previous year, the Parent company acquired 100% shares in Curatio Health Care (I) Private Limited ('Curatio') including its two subsidiaries for a consideration of ₹2,000 crores on October 14, 2022.

The Board of Directors of the Parent Company, at its meeting held on December 21, 2022, had approved the Scheme of Arrangement in the nature of Amalgamation ('Scheme'), of Curatio with the Parent company subject to requisite statutory and regulatory approvals. The scheme was approved by the National Company Law Tribunal ('NCLT'), Ahmedabad Bench vide its order dated May 17, 2023 and the certified copy of said order was filed with Registrar of Companies on May 25, 2023. The management determined this as a subsequent adjusting event in accordance with Ind AS 10 and hence, Curatio had been amalgamated with effect from appointed date of October 14, 2022. This business combination offers the group an opportunity to enhance its presence in dermatology segment with a portfolio of over 50 brands, marketed in India.

Identifiable assets acquired and liabilities assumed

The Parent company had accounted for the transaction in accordance with Ind AS 103, "Business Combinations", and fair value of identifiable assets acquired and liabilities assumed as at appointed date pertaining to Curatio had been recognised in the consolidated financial statements of the Group based on purchase price allocation as determined by independent valuer.

Notes forming part of the Consolidated Financial Statements

42 Acquisition and Amalgamation of Curatio Health Care (I) Private Limited (Continued)

The following table summarises the recognised amounts of identifiable assets acquired and liabilities assumed after consideration of adjustments relating to deferred tax liability and consequential goodwill (Refer note 39(ii)) at the date of acquisition;

(₹ in crores)

	As at October 14, 2022
Property, plant and equipment	1.87
Intangible assets	
Brands/Trademarks	1,799.50
Non-compete fees	31.10
Computer Software	0.07
Other Financial Assets - Non-Current	0.17
Non-current Tax assets	5.69
Deferred tax assets	5.01
Other non-current assets	0.01
Other Current Assets	
Cash and cash equivalents	58.83
Other current assets and inventories	103.60
Total Assets	**2,005.85**
Non-current liabilities	11.70
Current liabilities	71.77
Total Liabilities	**83.47**
Net Asset Acquired	**1,922.38**

Goodwill arising from the acquisition had been recognised as follows:

(₹ in crores)

	As at October 14, 2022
Purchase consideration (paid in cash)	2,000.00
Fair value of identified net assets on acquisition date	1,922.38
Goodwill (non-deductible for tax purpose)*	**77.62**

* Goodwill represents value of acquisition synergies.

Measurement of fair values

Fair value of identifiable intangible assets acquired had been determined by an independent valuer. Fair value of other assets, including receivables, had been considered same as the carrying value of these assets as of the acquisition date in the books of Curatio.

Revenues and Profit or Loss of Acquiree entity

The revenue of Curatio and its subsidiaries from October 14, 2022 to March 31, 2023 is ₹128.02 crores with Profit before Tax (PBT) of ₹35.63 crores.

Revenues and Profit or Loss of combined entity

Assuming the business combination had occurred from the beginning of reporting period i.e. April 1, 2022, the combined revenue of the Group would be ₹9,761.54 crores with Profit before Tax (PBT) of ₹1,747.72 crores .

Notes forming part of the Consolidated Financial Statements

43 Relationship with Struck off Companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956:

(₹ in crores)

Name of Struck Off Company (Nature of transactions with Struck off Company)	Relationship with struck off company	Year ended March 31, 2024	Year ended March 31, 2023
Cab on Arrival Private Limited (Services availed)	Not related	-	0.01
Best Value Hotels Private Limited* (Services availed)	Not related	0.00	0.00
HNI Leisure World Private Limited (Services availed)	Not related	-	0.02
Medknow Publications & Media Private Limited* (Services availed)	Not related	-	0.00
Dhanvanthri Pharma Distributors Private Limited (Sale of goods)	Not related	0.02	-
Manilal Patel Private Limited* (Subscription to equity shares)	Not related	0.00	-

* Less than ₹1 Lakh

44 Non-Current Assets Held for Sale

(i) During the year, US Subsidiary Torrent Pharma Inc has disposed off its liquid facility for the sales consideration of ₹104.03 crores, which was impaired during the earlier years and classified as asset held for sale with carrying value of ₹15.46 crores. The net gain from sale is disclosed as exceptional item for the year. (Refer note 39(i))

(ii) During the previous year, the Parent company disposed off its Land at Shilaj, Ahmedabad which was classified as Non-current asset held for sale as at March 31, 2022 and recognised gain of ₹22.53 crores.

45 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Group has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 Proposed Dividend

The Board of Directors of Holding Company, in its meeting held on May 24, 2024, has proposed a final dividend of ₹ 6 per equity share for the financial year ended March 31, 2024. The proposal is subject to the approval of the shareholders of the Holding Company at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 203.07 crores.

47 The consolidated financial statements for the year ended March 31, 2024 were approved for issue by the Board of Directors on May 24, 2024.

Notes forming part of the Consolidated Financial Statements

48 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

(a) As at and for the year ended March 31, 2024

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
Parent								
Torrent Pharmaceuticals Limited	99.59%	6,828.71	81.93%	1,357.07	182.27%	31.06	82.97%	1,388.13
Subsidiaries								
Foreign								
Zao Torrent Pharma	0.89%	61.23	0.50%	8.23	(35.15%)	(5.99)	0.13%	2.24
Torrent Do Brasil Ltda.	6.02%	412.72	7.69%	127.36	25.18%	4.29	7.87%	131.65
Torrent Pharma Gmbh	1.76%	120.66	6.49%	107.53	1.35%	0.23	6.44%	107.76
Torrent Pharma Inc.	(10.58%)	(725.21)	6.56%	108.69	(74.65%)	(12.72)	5.73%	95.97
Torrent Pharma Philippines Inc.	1.33%	90.92	(0.12%)	(1.97)	(9.98%)	(1.70)	(0.22%)	(3.67)
Laboratorios Torrent, S.A. De C.V.	1.38%	94.77	1.12%	18.51	36.21%	6.17	1.47%	24.68
Torrent Australasia Pty Ltd	0.00%	0.34	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
Torrent Pharma (UK) Ltd	(0.57%)	(39.13)	2.07%	34.35	(20.36%)	(3.47)	1.85%	30.88
Torrent Pharma (Thailand) Co., Ltd.	0.04%	3.03	(0.25%)	(4.12)	(1.00%)	(0.17)	(0.26%)	(4.29)
Laboratories Torrent (Malaysia) SDN. BHD.	0.27%	18.28	0.06%	0.99	(3.46%)	(0.59)	0.02%	0.40
TPL (Malta) Ltd.	2.08%	142.42	(0.00%)	(0.08)	123.83%	21.10	1.26%	21.02
Heumann Pharma Gmbh & Co. Generica KG	4.02%	275.34	5.89%	97.61	(10.21%)	(1.74)	5.73%	95.87
Heunet Pharma Gmbh	0.94%	64.37	1.41%	23.36	9.62%	1.64	1.49%	25.00
Torrent Pharma (Malta) Ltd.	1.93%	132.02	(0.43%)	(7.09)	(124.35%)	(21.19)	(1.69%)	(28.28)
Curatio Inc., Philippines	0.04%	2.50	0.03%	0.54	(0.18%)	(0.03)	0.03%	0.51
Torrent International Lanka (Pvt) Ltd (Formerly known as Curatio International Lanka (Private) Ltd)	(0.00%)	(0.27)	(0.00%)	(0.06)	(0.18%)	(0.03)	(0.01%)	(0.09)
Farmaceutica Torrent Colombia SAS	0.13%	8.77	(0.03%)	(0.53)	1.06%	0.18	(0.02%)	(0.35)
Non-controlling interests in all subsidiaries	-	-	-	-	-	-	-	-
Consolidation adjustments	(9.27%)	(635.32)	(12.92%)	(214.00)	-	-	(12.79%)	(214.00)
Total	**100.00%**	**6,856.15**	**100.00%**	**1,656.38**	**100.00%**	**17.04**	**100.00%**	**1,673.42**

Notes forming part of the Consolidated Financial Statements

48 (Continued)

(b) As at and for the year ended March 31, 2023

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
Parent								
Torrent Pharmaceuticals Limited	104.16%	6,455.94	84.43%	1,051.39	56.78%	(77.83)	87.85%	973.56
Subsidiaries								
Foreign								
Zao Torrent Pharma	0.95%	58.89	2.13%	26.49	1.23%	(1.68)	2.24%	24.81
Torrent Do Brasil Ltda.	4.53%	281.07	5.95%	74.09	(1.16%)	1.59	6.83%	75.68
Torrent Pharma Gmbh	1.02%	63.10	1.26%	15.64	(0.48%)	0.66	1.47%	16.30
Torrent Pharma Inc.	(13.26%)	(821.18)	1.45%	18.23	58.09%	(79.63)	(5.54%)	(61.40)
Torrent Pharma Philippines Inc.	1.53%	94.62	(0.08%)	(1.05)	(1.44%)	1.98	0.08%	0.93
Laboratorios Torrent, S.A. De C.V.	1.13%	70.09	1.79%	22.30	(6.09%)	8.35	2.77%	30.65
Torrent Australasia Pty Ltd	0.01%	0.35	(0.00%)	(0.03)	(0.01%)	0.01	(0.00%)	(0.02)
Torrent Pharma (UK) Ltd	(1.13%)	(70.00)	1.63%	20.31	1.80%	(2.47)	1.61%	17.84
Torrent Pharma (Thailand) Co., Ltd.	0.02%	1.38	(0.03%)	(0.38)	(0.06%)	0.08	(0.03%)	(0.30)
Laboratories Torrent (Malaysia) SDN. BHD.	0.29%	17.87	0.35%	4.34	(0.14%)	0.19	0.41%	4.53
TPL (Malta) Ltd.	0.14%	8.42	(0.01%)	(0.08)	15.38%	(21.08)	(1.91%)	(21.16)
Heumann Pharma Gmbh & Co. Generica KG	3.63%	224.71	4.17%	51.94	(5.63%)	7.72	5.38%	59.66
Heunet Pharma Gmbh	1.84%	114.08	1.25%	15.54	(1.61%)	2.21	1.60%	17.75
Torrent Pharma (Malta) ltd.	0.42%	26.21	(0.33%)	(4.09)	(16.46%)	22.56	1.67%	18.47
Curatio Inc., Philippines	0.03%	2.04	(0.01%)	(0.10)	(0.09%)	0.12	0.00%	0.02
Curatio International Lanka (Pvt) Ltd	(0.00%)	(0.17)	(0.02%)	(0.31)	2.68%	(3.67)	(0.36%)	(3.98)
Non-controlling interests in all subsidiaries	-	-	-	-	-	-	-	-
Consolidation adjustments	(5.31%)	(329.35)	(3.94%)	(49.00)	(2.79%)	3.82	(4.08%)	(45.18)
Total	**100.00%**	**6,198.07**	**100.00%**	**1,245.23**	**100.00%**	**(137.07)**	**100.00%**	**1,108.16**

Note: Net assets and share in profit or loss for the parent company and subsidiaries are as per the standalone financial statements of the respective entities.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
May 24, 2024

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

(A) Form AOC-1 : Statement containing salient features of the financial statements 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	Date of acquisition	Reporting currency	As at March 31, 2024						For the year ended March 31, 2024				
				Exchange Rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover*	Profit before taxation*	Provision for taxation*	Profit after taxation*	Proposed Dividend*
1	Zao Torrent Pharma	Not Applicable	Rouble	0.9026	0.21	60.92	73.71	12.58	-	132.29	18.05	3.62	14.43	-
2	Torrent Do Brasil Ltda.	31.05.2001	Reais	16.6875	31.95	344.72	786.20	409.53	-	1,117.04	178.81	65.88	112.93	-
3	Torrent Pharma Gmbh	Not Applicable	Euro	90.2178	0.23	141.86	172.57	30.48	52.64	0.58	117.12	10.14	106.98	49.89
4	Torrent Pharma Inc.	Not Applicable	USD	83.3739	10.00	(734.38)	1,047.23	1,771.61	-	1,043.52	51.45	11.79	39.66	-
5	Torrent Pharma Philippines Inc.	Not Applicable	Pesos	1.4814	5.71	85.14	184.68	93.83	-	194.51	(2.04)	0.82	(2.86)	-
6	Laboratorios Torrent, S.A. De C.V.	Not Applicable	Mxn$	4.9990	37.36	58.60	139.44	43.48	-	179.06	26.31	8.79	17.52	-
7	Torrent Australasia Pty Ltd	Not Applicable	Au$	54.4598	0.47	(0.13)	0.46	0.12	-	0.62	(0.01)	-	(0.01)	-
8	Torrent Pharma (Thailand) Co., Ltd.	Not Applicable	THB	2.2873	8.44	(5.43)	4.30	1.29	-	0.56	(4.13)	-	(4.13)	-
9	Torrent Pharma (UK) Ltd	Not Applicable	GBP	105.2935	2.37	(57.58)	128.65	183.86	-	239.20	23.19	(0.94)	24.13	-
10	Laboratories Torrent (Malaysia) SDN.BHD.	Not Applicable	MYR	17.6527	1.77	16.52	35.18	16.89	-	82.08	1.78	0.59	1.19	-
11	Heumann Pharma Gmbh & Co. Generica KG	03.07.2005	Euro	90.2178	0.10	258.77	1,460.77	1,201.90	-	1,035.16	98.40	16.56	81.84	44.90
12	Heunet Pharma Gmbh	Not Applicable	Euro	90.2178	0.23	62.26	536.72	474.23	-	251.04	27.84	8.96	18.88	73.19
13	TPL (Malta) Limited	Not Applicable	Euro	90.2178	144.35	(0.29)	144.11	0.05	143.90	-	(0.09)	-	(0.09)	-
14	Torrent Pharma(Malta) Ltd	Not Applicable	Euro	90.2178	143.90	(11.88)	161.64	29.62	-	-	(7.07)	-	(7.07)	-
15	Curatio Inc., Philippines	14.10.2022	Pesos	1.4814	16.12	(13.62)	3.50	1.00	-	4.21	0.53	0.05	0.48	-
16	Torrent International Lanka (Pvt) Ltd (Formerly known as Curatio International Lanka (Private) Ltd)	14.10.2022	LKR	0.2731	5.83	(6.10)	0.03	0.30	-	-	(0.06)	-	(0.06)	-
17	Farmaceutica Torrent Colombia SAS	Not Applicable	COP	0.0217	9.31	(0.54)	9.00	0.23	-	-	(0.53)	-	(0.53)	-

Note :

i. % of shareholding in all subsidiaries either directly or through its subsidiaries is 100%.

ii. Torrent Australasia Pty Ltd , Torrent Pharma (Malta)Limited and Farmaceutica Torrent Colombia SAS are yet to commence their operations.

* Converted using average exchange rates prevailing during the year.

(A) Form AOC-1 : Statement containing salient features of the financial statements 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 : (Continued)

Part “B”: Associates and Joint Ventures

(₹ in crores)

Sr. No.	Name of Associates or Joint Venture	Date of acquisition	Latest Audited Balance Sheet Date	Shares of Associate or Joint Venture held by the company			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Net worth 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	UNM Foundation	Not Applicable	Refer note below								

Note : UNM Foundation (UNM) is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over its profits to the members. In view of restrictions on Section 8 companies, the parent Company's proportionate share in UNM has not been considered in consolidated financial statement.

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 (10:00 AM to 6:00 PM) on working days, except Saturdays, Sundays and public holidays upto and including the date of Annual General Meeting of the Company.

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN : 00061903

Sudhir Menon
Executive Director (Finance)
& Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
May 24, 2024

FIVE YEAR FINANCIAL HIGHLIGHTS

(₹ in crores except as stated otherwise)

CONSOLIDATED	2023-24	2022-23	2021-22	2020-21	2019-20
SALES, PROFIT & DIVIDEND					
Revenue	10,728	9,620	8,508	8,005	7,939
EBITDA	3,414	2,872	2,621	2,532	2,284
EBIT	2,606	2,166	1,959	1,874	1,629
Profit before exceptional items and tax (PBT)	2,264	1,847	1,711	1,526	1,187
Profit after tax (PAT)	1,656	1,245	777	1,252	1,025
Dividend for the year	948	745	812	592	542
Total dividend per share (₹)	28.00	22.00	48.00	35.00	32.00
Special dividend per share (₹)	-	-	15.00	-	15.00
Normal dividend (interim dividend and proposed final dividend) per share (₹)	28.00	22.00	33.00	35.00	17.00
FINANCIAL POSITION					
Equity share capital	169	169	85	85	85
Other equity	6,687	6,029	5,868	5,753	4,739
Long-term borrowings	2,300	3,532	3,095	4,121	4,694
Capital employed	9,156	9,730	9,048	9,959	9,518
Gross block	13,845	13,577	11,358	11,401	11,046
Net block	8,499	8,887	7,052	7,954	8,245
Net current assets	186	(134)	750	630	(475)
RETURN					
On revenue (PBT)%	21%	19%	20%	19%	15%
On capital employed (EBIT)%	28%	22%	21%*	19%	17%
On shareholder's fund (PAT)%	24%	20%	18%*	21%	21%
Earnings per share (₹)**	48.94	36.79	22.96	36.99	30.28
Earnings per share before exceptional item net of tax (₹)**	46.88	36.79	34.28	36.99	30.28

*Adjusted for exceptional items

** Adjusted for previous years on account of bonus shares issued during the year 2022-23

IR Assurance Statements

Independent Practitioner's limited assurance report on identified non-financial information included in Torrent Pharmaceuticals Limited's Integrated Annual Report for the financial year ended 31st March, 2024

To
The Board of Directors
Torrent Pharmaceuticals Limited
Ahmedabad, Gujarat, India

We have been engaged to perform a limited assurance engagement for Torrent Pharmaceuticals Limited ('Torrent Pharma' or 'the Company') vide our engagement letter dated 12th April, 2024, to provide limited assurance on the identified non-financial information included in the Integrated Annual Report of the Company for the financial year ended 31st March, 2024 (hereinafter referred to as the "Identified Sustainability Information") prepared by management in accordance with the Criteria stated below.

Identified Sustainability Information

The Identified Sustainability Information is included in the Integrated Annual Report of the Company for the financial year ended 31st March, 2024, is summarised as below:

Series	Material Issue	GRI	Key Performance Indicator
GRI 2	General Disclosure (2021)	2 – 7	Employees
		2-8	Workers who are not employees
		2 – 9	Governance structure and composition
GRI – 400 Social	401 – Employment (2016)	401-1	New employee hires and employee turnover (age and gender)
	404 - Training and Education (2016)	404 - 1	Average hours of training per year per employee
	405 – Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees (age and gender)
	413 – Local Communities (2016)	413 – 1	Operations with local community engagement, impact assessments, and development programs

Our assurance engagement is with respect to the financial year ended 31 March 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Annual Report, therefore, do not express any opinion/conclusion thereon.

Boundary

Boundary of the report covers the company's operations in India, Vietnam and Russia and its subsidiaries in Germany, Malaysia, Mexico, Philippines, UK, US, Brazil, Malta, Thailand, Colombia and Australia.

Criteria

The Company has prepared the Identified Sustainability Information included in the Integrated Annual report based on the principles of the International Integrated Reporting Framework published by the International Integrated Reporting Council ('IIRC') of the Value Reporting Foundation with reference to Global Reporting Initiative ('GRI') Sustainability Reporting Standards ('the GRI Standards') issued by Global Sustainability Standards Board (GSSB).

Management's Responsibilities

The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the Integrated Annual Report and the measurement of the Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Auditor's Independence and Quality Control

We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the 'IESBA Code') and have the required competencies and experience to conduct this assurance engagement.

Our firm applies International Standards on Quality Management ('ISQM') 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express a limited assurance in the form of a conclusion on the Identified Sustainability Information , based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ('ISAE 3000 (Revised)'), issued by the International Auditing and Assurance Standards Board ('IAASB'). The standard requires that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability information is free from material misstatement

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability information, identifying areas where material misstatement is likely to arise in the Identified Sustainability information whether due to fraud or error, designing and performing procedures to address identified risk areas as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records

Given the circumstances of the engagement, in performing the procedures listed above, our work procedures included the following:

- Physical site visit at the corporate office and R&D centre at Ahmedabad and site visit at Indrad, Gujarat for data and document verification.
- Interviewing senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
- Reviewing the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
- Evaluating the suitability and application of Criteria and that the Criteria have been applied appropriately to the Identified Sustainability Information. .
- Selecting key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performing calculations to check accuracy of claims,
- Reviewing data from independent sources, wherever available,
- Reviewing data, information about sustainability performance indicators and statements in the report.
- Reviewing and verifying information/data as per the GRI and IIRC framework;
- Reviewing accuracy, transparency and completeness of the information/ data provided;

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance engagement scope excludes the following and therefore we do not express an opinion/a conclusion on the same:

- Any disclosure other than those mentioned in the Identified Sustainability Information section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Integrated Annual Report.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Identified Sustainability Information included in the Integrated Annual Report for the financial year ended 31st March, 2024, is not prepared, in all material respects with reference to GRI Standards.

Restriction on use

Our assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, the assurance statement may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Company. Further, we do not accept or assumes any duty of care or liability for any other purpose or to any other party to whom the assurance report is shown or into whose hands it may come.

Grant Thornton Bharat LLP

Abhishek Tripathi
Partner
Dated: 28th June, 2024
Place: Grant Thornton Bharat LLP
Plot No. 19A, 2nd Floor, Sector – 16A,
Noida - 201301,
Uttar Pradesh, India

GRI Content Index

Statement of Use	**Torrent Pharma has reported in alignment with the GRI Standards for the period between 1st April 2023 to 31st March 2024.**
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard No.	Disclosure	Location: Section	Location: Page No.
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2-1 Organisational details	About Torrent Pharma	10,11,12
	2-2 Entities included in the organisation's sustainability reporting	About the Report	4
	2-3 Reporting period, frequency and contact point	About the Report	4
	2-5 External assurance	Assurance Statements	188,375
	2-6 Activities, value chain and other business relationships	About Torrent Pharma	10-17
	2-7* Employees	Human Capital	82,83
	2-8* Workers who are not employees	Human Capital	82,83
	2-9* Governance structure and composition	Board of Directors	24,25
	2-10 Nomination and selection of the highest governance body	Report on Corporate Governance	202
	2-11 Chair of the highest governance body	Report on Corporate Governance	195
	2-12 Role of the highest governance body in overseeing the management of impacts	Report on Corporate Governance	194
	2-13 Delegation of responsibility for managing impacts	Report on Corporate Governance	197-205
	2-15 Conflicts of interest	Performance Highlights for 2023-24	9
	2-17 Collective knowledge of the highest governance body	Report on Corporate Governance	194
	2-19 Remuneration policies	Report on Corporate Governance	204
	2-20 Process to determine remuneration	Report on Corporate Governance	204
	2-21 Annual total compensation ratio	Report on Corporate Governance	205
	2-22 Statement on sustainable development strategy	Executive Chairman's Message	22,23
	2-23 Policy commitments	Business Responsibility and Sustainability Report	152,153
	2-24 Embedding policy commitments	Business Responsibility and Sustainability Report	153
	2-26 Mechanisms for seeking advice and raising concerns	Prioritising Employee Satisfaction	76
	2-27 Compliance with laws and regulations	Business Responsibility and Sustainability Report	153
	2-28 Membership associations	Business Responsibility and Sustainability Report	183
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	30,31

GRI Standard No.	Disclosure	Location: Section	Location: Page No.
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	32,33
	3-2 List of material topics	Materiality Assessment	32,33
Economic Performance			
GRI 201: Economic Performance 2016	3-3 Management of material topics	Management Discussion and Analysis	127
	201-1 Direct economic value generated and distributed	Financial Capital	57
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Strategic Themes	34
	203-2 Significant indirect economic impacts	Social and Relationship Capital	85-91
GRI 207: Tax 2019	3-3 Management of material topics	Standalone Financial Statements	93
	207-1 Approach to tax	Standalone Financial Statements	245, 254
Environmental Performance			
GRI 302: Energy 2016	3-3 Management of material topics	Natural Capital	93
	302-1# Energy consumption within the organisation	Natural Capital, Business Responsibility and Sustainability Report	94,175
	302-4# Reduction of energy consumption	Natural Capital, Business Responsibility and Sustainability Report	92,175
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Natural Capital	96
	303-3# Water withdrawal	Natural Capital, Business Responsibility and Sustainability Report	96,180
	303-4# Water discharge	Natural Capital, Business Responsibility and Sustainability Report	96,180
	303-5# Water consumption	Natural Capital, Business Responsibility and Sustainability Report	96,180
GRI 305: Emissions 2016	3-3 Management of material topics	Natural Capital	93
	305-1# Direct (Scope 1) GHG emissions	Natural Capital, Business Responsibility and Sustainability Report	95,177
	305-2# Energy indirect (Scope 2) GHG emissions	Natural Capital, Business Responsibility and Sustainability Report	95,177
	305-5# Reduction of GHG emissions	Natural Capital, Business Responsibility and Sustainability Report	94,177
	305-7# Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital, Business Responsibility and Sustainability Report	95,177

GRI Standard No.	Disclosure	Location	
		Section	Page No.
GRI 306: Waste 2020	3-3 Management of material topics	Natural Capital	97
	306-3# Waste generated	Natural Capital, Business Responsibility and Sustainability Report	97,178
	306-4# Waste diverted from disposal	Natural Capital, Business Responsibility and Sustainability Report	97,178
	306-5# Waste directed to disposal	Natural Capital, Business Responsibility and Sustainability Report	97,178
Social Performance			
GRI 401: Employment 2016	401-1* New employee hires and employee turnover	Human Capital	83
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Human Capital	79
	403-1 Occupational health and safety management system	Human Capital	79
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	79
	403-5 Worker training on occupational health and safety	Human Capital	79
	403-8 Workers covered by an occupational health and safety management system	Human Capital	79
	403-9 Work-related injuries	Human Capital	78
GRI 404: Training and Education 2016	3-3 Management of material topics	Human Capital	78
	404-1* Average hours of training per year per employee	Human Capital	79
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	80
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Human Capital	81
	405-1* Diversity of governance bodies and employees	Human Capital	81
GRI 413: Local Communities 2016	3-3 Management of material topics	Social and Relationship Capital	84,85
	413-1* Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	85-91

*Limited Assurance (refer IR Assurance report on Page 375)

#Reasonable Assurance (Refer BRSR Assurance report on page 188)

Glossary of Abbreviations

AAP	Annual Action Plan
AD	Anti-Diabetes
ADR	Adverse Drug Reaction
AGES	Austrian Agency for Health and Food Safety GmbH
AGM	Annual General Meeting
AI	Artificial Intelligence
AIOCD	All Indian Origin Chemists & Distributors
ANDA	Abbreviated New Drug Application
ANVISA	Agencia Nacional de Vigilancia Sanitaria
API	Active Pharmaceutical Ingredient
ASEAN	Association of Southeast Asian Nations
BGx	Branded Generics
BSE	Bombay Stock Exchange
BS	Bharat Stage
BMW	Biomedical waste
CAGR	Compound Annual Growth Rate
CAPA	Corrective Action and Preventive Action
CDMO	Contract Development and Manufacturing Organisation
CFR	Code of Federal Regulations
CHC	Consumer Health Care
CIP	Clean In Place
CIS	Commonwealth of Independent States
CME	Continuous Medical Education
CNS	Central Nervous System
CO_2	Carbon Dioxide
COSO	Committee of Sponsoring Organisations
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
CSRS	Corporate Social Responsibility and Sustainability
CV	Cardiovascular
DCGI	Drug Controller General of India
DG	Diesel Generator
DKMA	Danish Medicines Agency
DPS	Dividend per Share
DST	Department of Science and Technology
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
ELN	Electronic Lab Notebook
EPS	Earning Per Share
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environment, Social and Governance
ETP	Effluent Treatment Plant
EU	European Union
FCF	Free Cash Flows
FDC	Fixed Dosage Combinations
FSSAI	The Food Safety and Standards Authority of India
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GI	Gastro-Intestinal
GJ	Gigajoules
GLP	Good Laboratory Practices
GMP	Good Manufacturing Practices
GRI	Global Reporting Initiative
Gx	Generics
HIS	Health Information System
HR	Human Resources
HSD	High-Speed Diesel
HSE	Health, Safety and Environment
HVAC	Heating Ventilation and Air Conditioning
IIRC	International Integrated Reporting Council
INGO	International Non-Governmental organisation
IP	Intellectual Property
IPA	Indian Pharmaceutical Alliance
IPM	India Pharma Market
IR	Integrated Report
ISO	International Organisation for Standardisation
IT	Information Technology
KPI	Key Performance Indicators
KWH	Kilowatt-Hour
LATAM	Latin America
LED	Light Emitting Diodes
LOE	Losses of Exclusivity
LSHS	Low Sulphur Heavy Stock
LTIFR	Lost Time Injury Frequency Rate
MAT	Minimum Alternate Tax
MBA	Master of Business Administration
MCC	Medicines Control Council
MDP	Management Development Programme
MES	Manufacturing Execution Systems
MIS	Management Information System
Mn	Million
MPP	Medicine Patent Pool
MT	Metric Ton
MW	Mega Watt
NABH	National Accreditation Board for Hospitals & Healthcare Providers
NABL	National Accreditation Board for Testing and Calibration
NDDS	Novel Drug Delivery System
NGO	Non-Governmental Organisation
NICU	Neonatal Intensive Care Unit
NLEM	National List of Essential Medicines

NOx	Nitrogen Oxides
NPAT	Net Profit After Tax
NSE	National Stock Exchange
OECD	Organisation for Economic Co-operation and Development
OHC	Occupational Health Centre
OHSAS	Occupational Health and Safety Assessment Series
OP. EBITDA	Operating Earnings before Interest, Taxes, Depreciation and Amortisation
OSD	Oral Solid Dosage
OT	Operation Theatre
OTC	Over the Counter
P2P	Principle to Principle
PAN	Presence Across Nation
PAT	Profit After Tax
PBM	Pharmacy Business Management
PCPM	Per Capita Per Month
PICU	Pediatric Intensive Care Unit
POSH	Prevention of Sexual Harassment
PPHC	Primary Paediatric Health Centres
PHCs	Paediatric Health Centres
PSU	Public Sector Undertakings
PSSR	Pre-Start-up Safety Review
QC	Quality Control
REACH	Reach EAch CHild
R&D	Research & Development
RM	Raw Material
RMC	Risk Management Committee
RO	Reverse Osmosis
ROCE	Return on Capital Employed
ROE	Return on Equity
ROW	Rest of the World
RUTF	Ready-To-Use Therapeutic Food
SAP	Systems Applications and Products
SASB	Sustainability Accounting Standards Board
SBT	Soil Biotechnology Plant
SBTi	Science Based Targets initiative
SGLT-2	Sodium Glucoseco-Transporter-2
SOP	Standard Operating Procedures
SOx	Sulphur Oxides
STP	Sewage Treatment Plant
tCO2e	Tonnes of Carbon Dioxide Equivalent
TJ	Terajoules
TGA	Therapeutic Goods Administration
TSDF	Treatment, Storage, and Disposal Facility
UAE	United Arab Emirates
UK	United Kingdom
UN SDG	United Nations Sustainable Development Goals
US	The United States
USFDA	United States Food and Drug Administration
VMN	Vitamins Minerals Nutrients
VOC	Volatile Organic Compounds
WHO	World Health Organisation

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Tuesday, 23rd July, 2024 at 09:30 AM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Financial Statements as at 31st March, 2024 including the Audited Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Consolidated Financial Statements as at 31st March, 2024 including the Audited Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss for the year ended on that date and reports of the Auditors thereon.

3. To confirm the payment of interim dividend on equity shares already paid during the financial year ended 31st March, 2024 and to declare final dividend on equity shares for the said financial year.

   The Board of Directors at its meeting held on 02nd February, 2024 had declared the interim dividend of ₹ 22.00 per equity share of fully paid up face value of ₹ 5.00 each and in its meeting held on 24th May, 2024 recommended final dividend of ₹ 6 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31st March, 2024.

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

   "**RESOLVED THAT** Jinesh Shah (holding DIN: 00406498), a director, who retires by rotation at this Annual General Meeting and who has expressed his unwillingness for reappointment, be not re-appointed and the resulting vacancy be not filled up and the number of directors be reduced accordingly."

SPECIAL BUSINESS

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

   ### RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2024-25

   "**RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) ("the Act") and the approval by the Board of Directors at their meeting dated 24th May, 2024, 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 2024-25:

   ₹ 10,00,000/- plus out of pocket expenses & GST as applicable to conduct the audit of the cost accounting records for all the manufacturing facilities of the Company."

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

   ### ISSUANCE OF EQUITY SHARES INCLUDING CONVERTIBLE BONDS / DEBENTURES

   "**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listing Agreements entered into by the Company with the stock exchanges where equity shares of the Company of face value ₹ 5 each are listed, enabling provisions of the Memorandum and Articles of Association of the Company and any statutory modification(s), re-enactment(s) or amendments to the above mentioned laws, regulations, rules and schemes and clarifications issued thereon from time to time and subject to other applicable laws, rules, regulations, guidelines, notifications and circulars issued by various competent authorities / bodies, whether in India or abroad and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India ("SEBI"), Government of India ("GOI"), Reserve Bank of India ("RBI"), Ministry of Corporate Affairs, Regional Director, Registrar of Companies ("RoC") and all other appropriate and / or competent authorities or bodies whether in India or abroad to the extent applicable and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred as "Board" which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to create, issue, offer and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers ("QIB"), Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, Trusts, Stabilising agents or otherwise or any combination thereof, whether or not such investors are shareholders, promoters, directors or associates of the Company, through issue of Equity Shares and / or Fully Convertible Debentures and / or Partly Convertible Debentures and / or Optionally Convertible Debentures and / or other securities convertible into equity shares at the option of the Company ("Securities") representing either Equity Shares or a combination of any other Securities through one or more public or private offering in domestic and / or one or more international market(s), with or without green shoe option, or a Qualified Institutional Placement ("QIP") in accordance with Chapter VI of the SEBI Regulations, as the Board may deem appropriate, in terms of SEBI Regulations or by one or more combination of the above or otherwise and at such time or times in one or more tranches, at such price or prices, at market price or at a discount or premium to market price in terms of applicable regulations, to any eligible investors, including residents and / or non-residents and / or qualified institutional buyers and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilising agents or otherwise, whether or not such investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations ("Investors"), for an amount not exceeding ₹ 5000 crores (Rupees Five Thousand crores), inclusive of such premium as may be fixed on such Securities at such a time or times, as the Board may determine, where necessary in consultation with the Lead Managers, Merchant Bankers, Underwriters, Guarantors, Financial and / or Legal Advisors, Depositories, Registrars and other agencies and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible and the number and / or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VI of SEBI Regulations, the pricing shall be determined in compliance with principles and provisions set out in the Regulation 176 of Chapter VI of the SEBI Regulations and the Board may offer a discount of not more than 5% (five per cent) on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations, the Securities shall be allotted as fully paid-up (where the tenure of any convertible or exchangeable Securities shall not exceed 60 (sixty) months from the date of allotment) or such other period as may be permitted under said SEBI Regulations."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VI of SEBI Regulations, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board or a duly authorised Committee thereof decides to open the issue or such other date as may be prescribed under applicable laws, and in the event that convertible securities (as defined under the SEBI Regulations) are issued to QIBs under Chapter VI of the SEBI Regulations, the "relevant date" for the purpose of pricing of such convertible securities, shall be the date of the meeting in which the Board or a duly authorised Committee thereof decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares or such other date as may be prescribed under applicable laws."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalisation and approval of the offer documents, private placement offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, premium amount on issue / conversion / exercise / redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges in India, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall be issued in dematerialised form."

"RESOLVED FURTHER THAT the Equity Shares so issued shall in all respects rank pari passu with the existing Equity Shares of the Company and shall be listed with the stock exchanges where the Company's existing equity shares are listed."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering and all such Equity Shares shall rank pari passu with the existing Equity Shares in all respects."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognised stock exchange(s), to affix common seal of the Company on any arrangements, contracts / agreements, memorandum, documents, etc. as may be required."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalisation of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilisation of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to any of the aforesaid or otherwise in relation to the issue of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to the provisions of Section 152(6) of the Companies Act, 2013 and any other applicable laws (including any statutory modification(s) or re-enactment(s) thereof) and any other approval as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Samir Mehta (holding DIN 00061903) as Executive Chairman of the Company for the period of 5 (five) years effective from 01st April, 2025 till 31st March, 2030 on the following terms and conditions:

1.	COMMISSION	:		At a rate such that the total remuneration does not exceed 1.50% of net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof). Within the overall cap, the Commission will be determined on the basis of annual and long-term performance of the Company as detailed below: **Annual Performance:** Achievement of identified performance parameters year on year. If in any year, the Company experiences exceptional growth and profitability, with unlikely sustainability in the subsequent year, normalisation adjustments to this extent will be applied in determining sustainable performance. **Long Term Performance:** The core objective of a Company is to create long term shareholder value. To ensure strong alignment of the goals and performance to create long terms shareholders value, the long-term performance will be determined on 3-year cumulative period of relative total shareholder returns performance against peer companies and broader market indices. The relevant comparatives and metrics will be determined by the Nomination and Remuneration Committee ("NRC") and Board from time to time. The achievement parameters will include driving growth in consolidated business, EBITDA, EPS, shareholder returns and such other parameters determined by the NRC and Board from time to time.
	PERQUISITES	:		shall be allowed in addition as under:
2.	A.		(i)	The Company shall reimburse annual fees for two clubs.
			(ii)	The Company shall pay the premium on personal accident insurance policy as per the Company rules.
			(iii)	The Company shall pay the premium on medical insurance for self and family as per the Company rules.
	B.		(i)	The Company shall provide a car with driver for official and personal use.
			(ii)	The Company shall provide telephones at his residence, the cost of which will be borne by the Company.
3.	OTHER TERMS	:	(i)	Such re-appointment shall not be considered as a break in his service as managerial personnel of the Company.
			(ii)	He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a Committee thereof."

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

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

"**RESOLVED FURTHER THAT** the actual amount of commission to be paid to Samir Mehta for each year and periodicity of payment shall be decided by the Board from time to time which include any Committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as "the Board")."

"**RESOLVED FURTHER THAT**, the Board of Directors or any Committee thereof specifically authorised for this purpose, be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient and desirable in order to give effect to this resolution."

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

APPOINTMENT OF JINAL MEHTA AS NON-EXECUTIVE NON-INDEPENDENT DIRECTOR OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws (including any statutory modification(s) or re-enactment(s) thereof) and the provisions of the Articles of Association of the Company, Jinal Mehta (holding DIN: 02685284) who was appointed as an Additional Director of the Company with effect from 24th May, 2024, and in respect of whom the Company has received a notice under the provisions of Section 160 of the Act proposing his candidature for the office of the Director and who is eligible for appointment, be and is hereby appointed as the Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

"**RESOLVED FURTHER THAT**, the Board of Directors or any Committee thereof specifically authorised for this purpose, be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient and desirable in order to give effect to this resolution."

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

REMUNERATION TO NON-EXECUTIVE DIRECTORS (NEDs)

"**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) 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'), upto 1% of the Net Profits of the Company for each financial year, computed in the manner specified in Section 198 of the Act or such other limit as may be approved by the Central Government or the relevant authority for a period of 5 (five) years from the financial year commencing 01st April, 2025, in such manner and up to such extent as the Board of Directors or the Committee of Board specifically authorised for this purpose may from time to time determine."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform and / or to authorise any Committee of Directors or any other person to do or perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

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

APPROVAL FOR ENHANCEMENT OF LIMIT FOR THE LOAN, GUARANTEE AND INVESTMENT BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

"**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof) and subject to such approvals as may be required in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company, including a Committee thereof (hereinafter referred to as the "Board") to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, from time to time in one or more tranches, as the Board at its absolute discretion deem beneficial and in the interest of the Company, in excess of the limits prescribed under Section 186 of the Act, for an amount not exceeding ₹10,000 crores (Rupees Ten Thousand crores), outstanding at any point of time, notwithstanding that the aggregate amount of loans & guarantees given or security provided and investments made, along with the investments, loans, guarantees or security proposed to be made or given by the Board may exceed the limits prescribed under Section 186 of the Act."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem necessary and / or expedient to give effect to this Resolution, including but not limited to settle any question or difficulty in connection therewith and incidental thereto."

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By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Chintan M. Trivedi
Company Secretary

Mumbai
24th May, 2024

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated 05th May, 2020 read with circular nos. 14/2020 and 17/2020 dated 08th April, 2020 and 13th April, 2020 respectively (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. MCA had vide circular no. 09/2023 dated 25th September, 2023 has allowed the Companies whose AGM are due to be held in the year 2024, to conduct their AGMs on or before 30th September, 2024 in accordance with the requirement provided in this Circular. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per Note no.27 and is also available at the Company's website **www.torrentpharma.com** .

2. Pursuant to MCA Circular no. 14/2020 dated 08th April 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives by uploading a duly certified copy of the board resolution authorising their representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

3. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. All the members of the Company are encouraged to attend and vote at the AGM through VC / OAVM.

5. The Explanatory Statement pursuant to Section 102(1) and (2) of the Act in respect of Special Business i.e. Item No. 5 to 10 is annexed hereto.

6. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to **investorservices@torrentpharma.com**.

7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Central Depository Services (India) Limited ("CDSL") in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL. Members of the Company holding shares as on the cut-off date i.e. 16th July, 2024, may cast their vote either by remote e-voting or e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

   The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 25.

8. In compliance with the MCA Circulars and SEBI Circular dated 07th October, 2023, Notice of the AGM along with the Integrated Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice of 51st AGM and the Integrated Annual Report of the Company for the year ended 31st March, 2024 have been uploaded on the Company's website **www.torrentpharma.com** and may be accessed by the members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively and on the website of CDSL at **www.evotingindia.com**.

9. Rajesh Parekh, Partner, RPAP & Co., Practicing Company Secretary (Membership No. A8073) and failing him Aishwarya Parekh, Partner, RPAP & Co., Practicing Company Secretary (Membership No. A58980) has been appointed as the scrutiniser to scrutinise the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.

10. The Scrutiniser shall submit a consolidated Scrutiniser's Report (votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour of or against, if any, not later than 48 hours 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. The result declared along with the consolidated Scrutiniser's Report shall be simultaneously placed on the Company's website **www.torrentpharma.com** and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited.

11. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

12. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on **investorservices@torrentpharma.com** atleast 10 days before the date of the meeting to enable the management to respond appropriately.

13. The final dividend on equity shares, if declared at the AGM, will be paid / dispatched around 31st July, 2024 to those members whose name appear on the Company's Register of Members or List of Beneficial Owners as received from the National Securities Depository Limited or Central Depository Services (India) Limited on 21st June, 2024 i.e. the Record date fixed for this purpose.

14. The Company is required to deduct income tax from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, Members are requested to complete and / or update their Residential Status, Permanent Account Number ('PAN') and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / its RTA.

    A Resident individual member with PAN and who is not liable to pay Income Tax can submit a yearly declaration in Form no. 15G / 15H, to avail the benefit of non-deduction of tax at source by uploading documents on the link: **https://ris.kfintech.com/form15/** on or before 05th July, 2024. Members are requested to note that, inter-alia in case the PAN duly linked with Aadhar is not registered or declarations with requisite information are not provided, the tax will be deducted at higher rate of 20%.

    Non-resident members can avail beneficial rates under tax treaty between India and their Country of residence, subject to providing necessary documents. i.e. self attested copy of PAN Card (if available), No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F or any other documents which may be required to avail the tax treaty benefits by uploading documents on the link : **https://ris.kfintech.com/form15/** on or before 05th July, 2024.

    No communication / documents on the tax determination / deduction for the purpose of final dividend shall be considered after 05th July, 2024. For the detailed process, please click here: **https://www.torrentpharma.com/pdf/investors/Final-TDS-communication-to-Shareholders-2024.pdf**

15. Regulation 40 of the Listing Regulations, as amended, mandates that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form. Members holding the shares in physical form are requested to dematerialise their holdings at the earliest as it will not be possible to transfer shares held in physical mode.

    Further SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, has mandated that listed companies shall issue the securities in dematerialised form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares.

    Dematerialisation would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. It also substantially reduce the risk of fraud. Hence, we request all those members who have still not dematerialised their shares to get their shares dematerialised at the earliest.

16. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company's Registrars and Transfer Agent (RTA). Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

    During the year 2023-24, the Company has transferred 15,616 equity shares to the demat account of IEPF Authority.

    Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the information in respect of the unclaimed dividends as on 31st March, 2023 on its website **www.torrentpharma.com** and also on the website of the Investor Education and Protection Fund **www.iepf.gov.in**.

17. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are

requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at **https://www.torrentpharma.com/index.php/investors/shareHolder**.

Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialised form and to the Company / RTA in case the shares are held by them in physical form.

18. As required in terms of Secretarial Standard - 2 and Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM has been provided in the explanatory statement to the Notice.

19. SEBI has mandated the submission of PAN (duly linked with Aadhar), KYC details and nomination by holders of physical securities vide master circular no SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023 as amended from time to time. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at **https://www.torrentpharma.com/index.php/investors/shareHolder**

    Members holding shares in electronic form are requested to submit their PAN to their depository participant(s).

20. Members are encouraged to utilise the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. Members holding shares in dematerialised mode are requested to register complete bank account details with the Depository Participants and members holding shares in physical mode are requested to send a duly signed request letter to RTA mentioning the name, Folio no, bank details, self-attested copy of PAN Card and original cancelled cheque leaf along with Form ISR-1. In case of absence of name of the first shareholder on the original cancelled cheque, bank attested copy of first page of the bank passbook / statement of accounts in original along with Original cancelled cheque. Format of the Form ISR-1 and other required details are available on the website of the Company at the link **https://www.torrentpharma.com/index.php/investors/shareHolder**

    Effective 01st April, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of final dividend, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios.

    Further, SEBI has introduced the ODR Portal to streamline and strengthen the existing dispute resolution mechanism in the Indian Securities Market. With introduction of this mechanism, there will be enhanced degree of regulatory supervision of SEBI over disputes between aggrieved parties. The ODR order is binding on the parties involved in the dispute.

21. Process for those Members whose email ids are not registered with the Depositories or the Company for obtaining login credentials for e-voting:

    - Members holding shares in physical form may request for the same along with providing necessary details like Folio No., Name of Member, self attested scan copy of PAN Card and Aadhar Card by email to **investorservices@torrentpharma.com**
    - Members holding shares in demat form may request for the same along with providing Demat account details (CDSL-16 digit beneficiary ID or NSDL - 8 character DPID + 8 character Client ID), Name of Member, client master or copy of Consolidated Account statement, self attested scan copy of PAN Card and Aadhar Card by email to **investorservices@torrentpharma.com**

22. Process for updation of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company or Depositories:

    - Members holding shares in physical form – Update your email id and mobile no by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
    - Members holding shares in demat form – Update your email id & mobile no. with your respective Depository Participant (DP); for individual members holding shares in demat form, updation of email id & mobile no. is mandatory for e-voting and joining virtual meetings through depositories.

23. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.

24. The toll free number regarding any query / assistance for participation in the AGM through VC / OAVM is 1800 22 55 33.

25. Voting process and instruction regarding remote e-voting:

Section A: Voting Process:

Members should follow the following steps to cast their votes electronically:

Login method for e-voting and joining virtual meeting for individual members holding shares in demat form:

i Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of the Listing Regulations, Listed Companies are required to provide remote e-voting facility to its members, in respect of all members' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

In order to increase the efficiency of the voting process, all the demat account holders have been enabled for e-voting by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs.

ii Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, login method for e-Voting and joining virtual meetings for Individual members holding shares in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website **www.cdslindia.com** and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website **www.cdslindia.com**. Click on login & New system Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on **www.cdslindia.com**. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-Voting is in progress and will also be able to directly access the system of all e-voting service providers.
Individual Members holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com**. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select "Register Online for IDeAS" Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/**. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. 8 character DPID followed by 8 character Client ID), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual members (holding shares in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Members holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at Toll free No. 1800 22 55 33.
Individual Members holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at Toll free no.: 022-48867000 and 022-24997000

Login method for e-voting and joining virtual meeting for members other than individual members holding shares in demat form & members holding in physical mode:

Step 1: Open the web browser during the voting period and log on to the e-voting website **www.evotingindia.com**.

Step 2: Click on "Shareholders" to cast your vote(s).

Step 3: Please enter User ID

(i) For account holders in CDSL: Your 16 digits beneficiary ID.

(ii) For account holders in NSDL: Your 8 Character DP ID followed by 8 Character Client ID.

(iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 4: Enter the Image Verification as displayed and Click on "Login".

Step 5: If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.

Step 6: Follow the steps given below if you are first time user:

(i) holding shares in physical form

(ii) holding shares in demat form other than individual

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The sequence number is printed in the covering e-mail. Members who have not registered their email address may obtain the sequence number from the Company by following the process defined in Note No. 21
DOB	Enter the Date of Birth ("DOB") as recorded in your demat account or in the Company records in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio no. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company, please enter the DP ID and Client ID / folio number in the Dividend Bank details field as mentioned in Step 3.

Step 7: After entering these details appropriately, click on "SUBMIT" tab.

Step 8: Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step 9: For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 10: Click on the EVSN for the TORRENT PHARMACEUTICALS LIMITED on which you choose to vote.

Step 11: On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step 12: Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step 13: After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Step 14: Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

Section B: Other instructions regarding remote e-voting:

i. The voting period shall begin on 19th July, 2024 from 09:00 A.M. and end on 22nd July, 2024 at 05:00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 16th July, 2024, may cast their vote electronically. Thereafter the e-voting module shall be disabled.

ii. Non – Individual Members and Custodians (i.e. other than Individuals, HUF, NRI etc.) are additionally required to note and follow the instructions mentioned below:

- They are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.

iii. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to upload the following in PDF Format in the system for the scrutiniser to verify the same:

a) Copy of Board resolution (where institution itself is voting)

b) Power of Attorney issued in favour of the Custodian as well as the Board resolution of the Custodian.

Alternatively, Non-Individual members are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the scrutiniser at the e-mail id **rpap@csrajeshparekh.in**, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

iv. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

v. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at **www.evotingindia.com**, under help section or contact Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400013 or write an email to **helpdesk.evoting@cdslindia.com** or call Toll free no-1800 22 55 33 during working hours on all working days.

26. Voting process and instruction regarding e-voting at AGM are as under:

a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.

c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

27. Instruction for members for attending the AGM through VC / OAVM are as under:

a. The link for VC / OAVM to attend the AGM will be available where the EVSN of the Company will be displayed after successful login as per instruction mentioned above for remote e-voting.

b. Members are encouraged to join the Meeting through Laptops / IPads for better experience. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

c. For ease of conduct, Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request atleast 10 days prior to the date of meeting mentioning their name, demat account number / folio number, email id, mobile number at **investorservices@torrentpharma.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries mentioning their name, demat account number / folio number, email id, mobile number at **investorservices@torrentpharma.com**. These queries will be replied to by the Company suitably by email.

d. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. Further the shareholders will be required to allow the camera for participation in the meeting as speaker.

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

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(s) thereof) ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit Committee, which shall also recommend their remuneration and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at its meeting held on 24th May, 2024, on recommendation of the Audit Committee, approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2024-25 at the fees of ₹ 10,00,000/- plus out of pocket expenses and GST 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 2024-25.

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

The Company has been pursuing, both organic process and inorganic opportunities, for its growth. Further, there is ongoing requirement of working capital and capex for upgradation / expansion of Company's existing manufacturing facilities and ongoing projects. The generation of internal funds may not be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements of its organic and inorganic growth, capital expenditure, long term working capital, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals. This would also help the Company to take quick and effective action to capitalise on the opportunities, primarily those relating to inorganic growth, as and when available.

The requirement of funds is proposed to be met from both equity and debt from issuance of appropriate securities and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet with the objective of optimisation of the cost as well as conservative financial management.

Purpose / objects of the fund raise: In order to meet the additional fund requirements of the Company for the aforesaid purposes and pursuant to Section 62(1)(c) of the Companies Act, 2013 ("the Act") and rules made thereunder, as amended in case the Company proposes to issue equity shares to any persons other than existing Members, whether or not such persons are Members, approval of Members through a special resolution is required.

Basis or Justification of Price in case of issue of Qualified Institutions Placement ("QIP"): The pricing of the Securities shall be determined by the Board in accordance with the regulations on pricing of securities prescribed under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"). The "Relevant Date" for this purpose, will be the date when the Board or a duly authorised Committee thereof decides to open the issue, if Equity Shares are issued, or, in case of issuance of convertible securities, the date of the meeting in which the Board decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares as provided under Chapter VI of the SEBI Regulations. The resolution enables the Board to offer such discount not exceeding 5% on the price calculated for the QIP or such other discount as may be permitted under applicable law on the price determined pursuant to the SEBI Regulations.

The Board of Directors, accordingly, at their meeting held on 24th May, 2024 has recommended to the Members to give their consent through special resolution to the Board of Directors or any Committee of the Board to raise funds through issuance of Equity Shares and / or Convertible Debentures or any equity linked instrument/s ("Securities") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or Qualified Institutional Placement and / or any other permitted modes at a price to be determined as per the SEBI Regulations or as per other applicable rules and regulations, upto an amount not exceeding ₹ 5000 crores (Rupees Five Thousand crores) under Section 62 read with Section 179 of the Act, as amended or other applicable laws. While no specific instrument or instruments of Securities has been identified at this stage, the Board may opt for an appropriate instrument in the best interest of the Company. Such issue shall be subject to the provisions of the Act, as amended and rules made there under from time to time, Articles of Association of the Company, SEBI Regulations and other applicable laws.

Pursuant to Sections 42 and 62 of the Act, as amended read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, a company offering or making an invitation to subscribe aforesaid Securities is required to obtain prior approval of the Members by way of the special resolution. If approved by Members, QIP issue shall be completed within 365 days from the date of passing of special resolution and in case of issue by way other than QIP, provisions as applicable to the proposed issue shall be applicable. Equity Shares, proposed to be issued, shall in all respects rank pari passu with the existing equity shares of the Company.

In view of the above, it is proposed to seek approval from the Members of the Company to offer, create, issue and allot above Securities, in one or more tranches, to investors inter alia through QIP by way of private placement or otherwise and to authorise the Board of Directors (including any Committee thereof authorised for the purpose) to do all such acts, deeds and things on the matter. The Board may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

The resolution contained in Item no. 6 of the accompanying Notice, accordingly, seek members' approval through special resolution for raising funds as above through issue of Securities in one or more tranches and authorising the Board of Directors (including any Committee thereof authorised for the purpose) of the Company to complete all the formalities in connection with the issue of Securities.

The Company has not allotted any securities on a preferential basis in the previous year.

Directors / Key Managerial Personnel of the Company / their relatives may be deemed to be concerned or interested in the Resolution to the extent of their shareholding in the Company.

The Board commends this resolution for your approval.

Item No. 7

Samir Mehta was re-appointed as Executive Chairman of the Company for a period of 5 (five) years effective from 01st April, 2020 till 31st March, 2025 by the members of the Company through Postal Ballot on 07th March, 2020. The existing term of Samir Mehta as Executive Chairman will expire on 31st March, 2025.

In recognition of his contribution to the Company's strong performance and increase in Shareholders value over the years and based on the recommendation of Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company at their meeting held on 24th May, 2024, re-appointed Samir Mehta as Executive Chairman of the Company for the period of 5 (five) years effective from 01st April, 2025 till 31st March, 2030, subject to approval of the shareholders. Such re-appointment will not be considered as a break in his service with the Company.

Details of terms of remuneration payable to Samir Mehta:

Particulars	
Type of Compensation:	100% Performance based compensation in form of Commission.
Frequency of Payment:	On an annual basis.
Maximum Ceiling:	Upto 1.50% of Net profits of the Company calculated in accordance with Section 198 of Companies Act, 2013.
Methodology:	Nomination & Remuneration Committee ("NRC") shall determine and recommend the annual Commission to be Board for its approval.
Defined Parameters:	Commission will be determined by the NRC & Board on basis of Annual & Long-term Performance parameters.
1) Annual Performance:	Achievement of identified performance parameters viz. driving growth in consolidated business, EBITDA, EPS, Shareholder returns and such other parameters determined by NRC and Board from time to time.
2) Long term Performance:	Long term performance will be determined on 3 years cumulative period of relative shareholders returns performance against peer companies and broader market indices and such other parameters as may be determined by NRC & Board.
Normalised Profit:	Any exceptional growth and profitability in a particular year with unlikely sustainability will be normalised in determining sustainable performance.
Perquisites:	As specified in terms and conditions of his appointment forming part of the resolution.

Samir Mehta is also the Executive Chairman of Torrent Power Limited, a Group company. He would therefore, draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher of the maximum limit admissible from any one of the companies of which he is a managerial person, in accordance with the provisions of Schedule V to the Companies Act, 2013. Samir Mehta shall be a Director liable to retire by rotation.

As the Executive Chairman, he will exercise substantial powers of the management, subject to superintendence, control and direction of the Board of Directors of the Company.

Particulars of his qualification, brief resume, area of expertise and other details are provided in the Annexure attached to this Notice.

With regard to the proposed re-appointment as Executive Chairman as aforesaid, the Company has received consent from Samir Mehta to act as Director in terms of Section 152 of the Act, declaration that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and a declaration to the effect that he is not debarred or disqualified from being appointed or continuing as a director of any company by the SEBI or Ministry of Corporate Affairs or any such authority, confirmation of compliance with conditions under Section 197 and Schedule V of the Act, and other requisite consents, declarations and disclosures as applicable.

In the opinion of the Board, the Company will continue to benefit from his valuable, experience, knowledge and counsel.

Except Samir Mehta himself, Aman Mehta and Jinal Mehta, relatives of Samir Mehta and their relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary resolution set out at Item No. 7 of the Notice.

The copy of relevant resolution of the Board with respect to the re-appointment is available for inspection by members in the electronic mode upto the date of AGM and during the AGM.

The Board commends this resolution for your approval.

Item No. 8

Pursuant to the recommendations of the Nomination and Remuneration Committee ("NRC"), your Board has at its meeting held on 24th May, 2024 appointed Jinal Mehta (holding DIN: 02685284) as an Additional Director of the Company categorised as Non-Executive Non-Independent Director, liable to retire by rotation w.e.f. 24th May, 2024 subject to approval of Members.

In terms of Regulation 17(1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") approval of Members for appointment of person on the Board of Directors should be taken at the next General Meeting or within a period of 3 months from the date of appointment, whichever is earlier.

The Company has received a Notice in writing from a member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature as Director on the Board of the Company.

With regard to the proposed appointment, the Company has received consent from Jinal Mehta to act as Director in terms of Section 152 of the Act, declaration that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and a declaration to the effect that he is not debarred or disqualified from being appointed or continuing as a director of any company by the SEBI or Ministry of Corporate Affairs or any such authority.

Particulars of his qualification, brief resume, area of expertise and other details are provided in the Annexure attached to this Notice.

In the opinion of the Board, the Company will benefit from his valuable, experience, knowledge and counsel.

Except Jinal Mehta himself, Samir Mehta and Aman Mehta, relatives of Jinal Mehta and their relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary resolution set out at Item No. 8 of the Notice.

The Board commends this resolution for your approval.

Item No. 9

The members of the Company at their 46th AGM held on 23rd July, 2019 approved under Section 197 of the Companies Act, 2013 ("the Act"), the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding the limit laid down under the provisions of Section 197(1) of the Act for a period of five years commencing from 01st April, 2020. The said approval expires on 31st March, 2025.

Section 197 of the Act, inter alia, provides that a company may pay remuneration to its Non-Executive directors (i.e. other than a Managing Director or Whole-time Director), by way of commission, not exceeding, in aggregate, 1% of the net profit of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all fees or commission, paid to the Non-Executive directors, shall be recommended by the Board of Directors and shall require approval of the Members in a General Meeting.

It is proposed to take approval of the Members of the Company for payment of commission to Non-Executive Directors for a period of 5 years effective from 01st April, 2025 at a rate as may be determined by the Board or its Committee authorised for the purpose for each financial year, such that the total remuneration does not exceed 1% of the net profit of the Company for the financial year, computed in the manner laid down in Section 198 of the Act.

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

The Whole-time Director and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice. The Non-Executive Directors (except promoter category

Non-Executive Director) and their relatives may be deemed to be concerned or interested in the Ordinary resolution set out at Item No. 9 of the Notice to the extent of the remuneration that may be received by them.

The Board commends this resolution for your approval.

Item No. 10

Pursuant to Section 186 of the Companies Act, 2013 ("the Act") read with the Rules made thereunder, the Company is permitted to: (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members of the company by way of a Special Resolution.

Considering the increase in business operations, future growth plans of the Company and to enable the Company to take hold of any business propositions / opportunities that may arise in the future, the Board of Directors of the Company in its meeting held on 24th May, 2024 has, subject to the approval of members of the Company, proposed and unanimously approved seeking the members approval for increasing the limit upto an aggregate amount not exceeding ₹ 10,000 crores (Rupees Ten Thousand crores) outstanding at any point of time.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special resolution set out at Item no. 10 of the Notice.

The Board commends this resolution for your approval.

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Registered Office:
Torrent House
Off Ashram Road,
Ahmedabad – 380 009, Gujarat, India
(CIN: L24230GJ1972PLC002126)
Phone: + 91 79 26599000
Fax: + 91 79 26582100
Website: **www.torrentpharma.com**
Email Id: **investorservices@torrentpharma.com**

Chintan M. Trivedi
Company Secretary

Mumbai
24th May, 2024

ANNEXURE TO THE NOTICE:

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT

Samir Mehta

Samir Mehta, 60, is the Chairman of ₹ 41,000 Crores Torrent Group.

Under his leadership, Torrent Pharma took several strategic initiatives, including forays into new therapies and geographies, large investments in product development infrastructure and capabilities, building state-of-the-art manufacturing facilities and acquisitions, thus establishing Torrent as one of India's fast growing and well respected Pharma majors. His emphasis on professional organisational design, precise execution and operational efficiencies has built a strong and globally competitive generic business platform in Torrent Pharma.

Mr. Mehta has also guided the Group's entry and growth in the Power sector. Torrent Power has systematically improved its performance on all efficiency parameters and ranks amongst the best run power utilities in the country. His emphasis on efficiency and reliability has led the Company to demonstrate exemplary operational capabilities and high customer orientation thus, setting new benchmarks in the sector and attracting many accolades.

In a move to expand its business presence and capitalising on the experience in energy sector particularly in gas sourcing, Mr. Mehta mentored the Group's entry in the emerging City Gas Distribution sector. This new vertical started participating in various bidding rounds for getting authorisations new areas and acquiring existing CGD entities. In a short span, Torrent has established itself as a leading CGD entity in the country with an investment plan of approx ₹10,000 crores and started rolling out its network across 17 geographical areas in India.

Much before the current emphasis on CSR, Mr. Mehta always conducted the businesses in a socially responsible way, giving a new dimension to the traditional meaning of CSR. He has emphasised environmental responsibility in industrial operations and creation of local livelihoods in the influence areas of Torrent establishments. His belief that improving community health and school education of the underprivileged class are powerful instruments for social empowerment and upliftment, has driven much of the Group's investments in CSR activities.

A fine blend of business acumen and cautious entrepreneurial optimism, Mr. Mehta has positively influenced all aspects of the Group culture with his contemporary outlook and innovative ideas. Torrent Group has established a reputation for being employee-centric, and above all fair and humane in all its dealings.

Companies (other than Torrent Pharmaceuticals Limited) in which Mr. Mehta holds directorship and committee membership:

Sr. No	Directorship in Companies	Name of Committees
1	Torrent Power Ltd	Committee of Directors – Chairman
2	Torrent Investments Private Ltd	Corporate Social Responsibility Committee – Chairman Nomination & Remuneration Committee - Member
3	UNM Foundation	-

He has not resigned as director from any listed entity in past 3 years.

Mr. Mehta holds 400 Equity Shares of your Company. Mr. Mehta, a B-School graduate, is on the Board of your Company from 20th August, 1986. He has attended all 5 (five) Board meetings held during the year 2023-24. Samir Mehta is father of Aman Mehta, Whole time Director and relative of Jinal Mehta. He will be paid the remuneration in accordance with the Resolution no. 7 of the accompanying Notice. For the details pertaining to remuneration drawn during the year 2023-24, please refer to the Corporate Governance Report forming part of the Annual Report.

Jinal Mehta

Jinal Mehta, 41, is a Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from University of Technology Sydney (UTS), Sydney, Australia.

He is the Managing Director of Torrent Power and also oversees Torrent Gas. He has more than 17 years of experience across various facets of the energy sector – generation, transmission & distribution of power and trading & distribution of gas.

He started his career with Torrent Power's Generation business and was involved during the project and operations phases of 1,530 MW SUGEN Mega Power Project. Subsequently, he was responsible for the implementation of Torrent Power's 1,200 MW DGEN Mega Power Project. Thereafter, he took charge of the distribution business of Torrent Power in April, 2014 and led significant operational improvements in both the licensed and franchised distribution businesses, in terms of network modernisation, reduction in AT&C losses, improved customer services and timely regulatory approvals for recovery of costs. Under his leadership, Torrent Power has strengthened its leadership position in the Power Distribution business and distributes nearly 30 billion units of power per annum and caters to peak demand of approx. 5,300 MW to over 4.13 million customers across 12 cities.

Apart from conventional generation, transmission and distribution, his contribution in growing renewable capacity; both Solar and Wind Power, has resulted into renewable energy becoming a significant part of Torrent Power's generation portfolio today with plans for significant further growth. Accelerated commitment to increase renewable portfolio has enabled Torrent Power to undertake several acquisitions. With these, the Company now has an aggregate installed generation capacity of ~4.3 GW, which consists largely of clean generation sources such as gas (2.7 GW) and renewables (~1.2 GW) and has another ~3 GW of renewable capacity under development.

Jinal spotted the opportunity of India's growing need for energy and led the Torrent Group's foray into gas distribution in 2018. Torrent Gas (Revenues of USD 330 million) has the exclusive authorisation to distribute natural gas (for residential, commercial, industrial) and CNG (for vehicles) in 34 cities across India. Torrent Gas has already invested approx. USD 600 million under Phase 1 of its capex program and has plans to invest over USD 3 billion by 2030 to create a robust gas distribution network. Torrent's authorised areas have a population of approximately 90 million+ people, which is about 7% of India's total population.

Companies (other than Torrent Pharmaceuticals Limited) in which Jinal Mehta holds directorship and committee membership:

Sr. No	Directorship in Companies	Name of Committees
1	Torrent Power Ltd	Committee of Directors – Member
2	Torrent Gas Ltd	Committee of Directors – Chairman
3	Torrent Investments Private Ltd	Corporate Social Responsibility Committee – Member Nomination & Remuneration Committee - Member Asset and Liability Committee - Chairman

He has not resigned as director from any listed entity in past 3 years.

He holds 200 Equity Shares of your Company. He has attended 1 board meeting held since his appointment. He voluntarily choose not to receive any remuneration for his services rendered to the Company. He would be entitled for reimbursement of out of pocket expenses incurred as a result of his directorship or any special duties, related thereto. Jinal Mehta is relative of Samir Mehta, Executive Chairman and Aman Mehta, Whole time Director.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Samir Mehta
   Executive Chairman
2. Ameera Shah
3. Nayantara Bali
4. Dr. Maurice Chagnaud
5. Manish Choksi
6. Nikhil Khattau
7. Jinesh Shah
   Director (Operations)
8. Aman Mehta
   Whole-time Director
9. Jinal Mehta
   Non-Executive Director

AUDIT COMMITTEE

1. Nikhil Khattau
   Chairman
2. Ameera Shah
3. Nayantara Bali
4. Dr. Maurice Chagnaud

SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Ameera Shah
   Chairperson
2. Nikhil Khattau
3. Aman Mehta

NOMINATION AND REMUNERATION COMMITTEE

1. Manish Choksi
   Chairman
2. Ameera Shah
3. Nayantara Bali

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

1. Nayantara Bali
   Chairperson
2. Manish Choksi
3. Jinesh Shah

RISK MANAGEMENT COMMITTEE

1. Nikhil Khattau
   Chairman
2. Nayantara Bali
3. Dr. Maurice Chagnaud
4. Sudhir Menon

EXECUTIVE DIRECTOR (FINANCE) & CFO

Sudhir Menon

COMPANY SECRETARY

Chintan M. Trivedi

STATUTORY AUDITORS

B S R & Co. LLP

Chartered Accountants

REGISTERED OFFICE

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CORPORATE IDENTITY NUMBER

L24230GJ1972PLC002126

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REGISTRAR & TRANSFER AGENT

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