

04th November, 2019



The Dy. General Manager (Listing Dept.)
BSE Limited.,
Corporate Relationship Dept.,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001
(BSE Scrip Code: 500420)

The Manager – Listing Dept.,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400 051
(NSE Scrip Code: TORNTPHARM)

Dear Sir,

Sub.: Clarification

We refer to certain media reports indicating that there has been an increase in pledge of shares by promoters of Torrent Pharmaceuticals Limited (“Torrent Pharma”) by 36.50% in Q2 as compared to Q1. In this context we bring to your notice the following:

- 1) The promoters of Torrent Pharma have not pledged any equity shares they hold in Torrent Pharma for any purpose.
- 2) They are obligated by virtue of certain covenants/ negative covenants agreed by Torrent Pharma in the loan agreements executed with various lenders that the promoters shall continue to hold Management Control (inter-alia holding at least 26% of the equity share capital of Torrent Pharma or otherwise) during the period such loans are outstanding. Further, such obligation is created in respect of loans raised by Torrent Pharma for the purposes of its business.
- 3) A pledge of shares is a security interest in favour of lenders & can be enforced by sale of such shares in event of default; whereas the covenants / negative covenants agreed under various loan agreements obligate the promoters not to sell a specified portion of their shares so long as loan given to the company is outstanding.
- 4) It may be noted that recently SEBI expanded the disclosure requirements (effective from 01-Oct-19) in respect of promoters shares which are subject to any kind of encumbrance by specifically including the requirement to disclose covenant/ negative covenants / non disclosure undertaking given in respect of promoters holding in a listed company. In this context the foregoing disclosure was made by promoter of Torrent Pharma.

The above position is made abundantly clear in the disclosure filed with the stock exchange.

The above is for your information and record.

Thanking you,

Yours Sincerely,

For TORRENT PHARMACEUTICALS LIMITED

A handwritten signature in black ink, appearing to read "Mahesh Agrawal", written over a horizontal line.

MAHESH AGRAWAL
VP (LEGAL) & COMPANY SECRETARY

TORRENT PHARMACEUTICALS LIMITED

CIN : L24230GJ1972PLC002126

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