



TORRENT PHARMACEUTICALS LIMITED

(CIN: L24230GJ1972PLC002126)

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

Phone: + 91 79 26599000 **Fax:** + 91 79 26582100

Website: www.torrentpharma.com, **Email Id:** investorservices@torrentpharma.com

POSTAL BALLOT NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Member(s),

NOTICE is hereby given pursuant to Section 108 and 110 of the Companies Act, 2013 (“the Act”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) and in accordance with the guidelines prescribed by the MCA for conducting postal ballot through e-voting vide General Circular Nos. 14/2020, 17/2020 and 03/2022 dated 8th April 2020, 13th April, 2020 and 5th May, 2022 respectively (collectively termed as “MCA Circulars”), and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof) that the resolutions given below are proposed to be passed by Postal Ballot through e-voting:

1. Increase in Authorised Share Capital from ₹ 150 crores to ₹ 225 crores and amendment in capital clause of the Memorandum of Association;
2. Issue of Bonus Shares
3. Appointment of Dr. Maurice Chagnaud as an Independent Director of the Company.

In compliance with the MCA Circulars the Postal Ballot Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories as on Friday 20th May, 2022 (“Cut-off date”). Members may note that the Notice of Postal Ballot is 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. The physical copy of Postal Ballot Notice along with Postal Ballot Form and pre-paid self addressed business reply envelope are not being sent to the Members for this Postal Ballot and Member have been requested to communicate their assent or dissent through the e-voting system only. For this purpose, the Company has obtained the services of Central Depository Services (India) Limited (“CDSL”)

The Company has appointed Rajesh Parekh, Partner, RPAP & Co., Practicing Company Secretary as a Scrutinizer and Jitesh Patel, Proprietor, Jitesh Patel & Associates, Practicing Company Secretary, as an Alternate Scrutinizer to Rajesh Parekh for conducting the Postal Ballot in a fair and transparent manner.

The E-voting period commences from 9:00 am (IST) on 01st June, 2022 till 5:00 pm (IST) on 30th June, 2022 as per instructions provided in Note no. 4. You are requested to peruse the proposed Resolutions along with their Explanatory Statement and read the instructions and notes carefully and thereafter cast your vote through the e-voting system not later than 5:00 pm (IST) on 30th June, 2022. Upon completion of e-voting period, the Scrutinizer shall submit his report to the Chairman of the Company. **The result of the Postal Ballot shall be announced on or before Monday, 04th July, 2022 at the registered office of the Company and shall also be displayed on the Company’s website www.torrentpharma.com** besides communicating to the stock exchanges on which the shares of the Company are listed.

PROPOSED RESOLUTIONS:

Item No. 1

To consider and give assent / dissent to following resolution as an Ordinary Resolutions:

INCREASE IN AUTHORISED SHARE CAPITAL AND AMENDMENT IN CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION

“RESOLVED THAT pursuant to the provisions of Section 61 read with Section 64 of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof) and any other applicable provisions of the Act and the rules made thereunder and the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from ₹ 1,50,00,00,000/- (Rupees One Hundred Fifty Crores) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of ₹ 5/- (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Preference Shares of ₹ 100/- (Rupees Hundred) each to ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty Five Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹ 5/- (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Preference Shares of ₹ 100/- (Rupees Hundred) each by creation of 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 5/- (Rupees Five) each ranking pari passu with the existing Equity Shares.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof), clause (V) of the Memorandum of Association of the Company be and is hereby amended by substituting with the following clause:

- V. The capital of the Company is ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty Five Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹ 5/- (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Preference Shares of ₹ 100/- (Rupees Hundred) each with power to increase and reduce the capital of the Company and to divide the shares into several classes and to attach thereto respectively such rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include a Committee thereof authorised for the purpose) be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to sign and execute all necessary forms, documents and papers as may be deemed necessary and expedient in connection with the aforesaid matter and to do such acts and deeds required to give effect to the aforesaid resolutions.”

Item No. 2

To consider and give assent / dissent to following resolution as an Ordinary Resolutions:

ISSUE OF BONUS SHARES

“RESOLVED THAT in accordance with the provisions of Section 63 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Share Capital and Debentures) Rules, 2014 (“the Rules”), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Foreign Exchange Management Act, 1999 and other applicable regulations, rules and guidelines issued, from time to time, by Securities and Exchange Board of India (“SEBI”) and Reserve Bank of India (“RBI”) and enabling provision of Memorandum and Articles of Association of the Company (including any statutory modification(s), re-enactment(s) or amendment thereof) and pursuant to recommendation of the Board of Directors and subject to such approvals, consents, permissions and sanctions of RBI or any other authorities, as may be required and also subject to such terms, conditions, alterations, modifications, changes and variations as may be specified by any of them while according such consents, permissions, approvals or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred

to as "Board" which term shall include a Committee thereof authorised for the purpose), consent of the Company be and is hereby accorded to the Board for capitalization of sum to the extent of ₹ 84,61,13,600/- (Rupees Eighty Four Crores Sixty One Lakhs Thirteen Thousand Six Hundred only) out of the Securities Premium Account / General Reserve Account or such other eligible account(s) as per the Audited Financial Statement of the Company for the year ended 31st March, 2022 for distribution amongst the holders of existing fully paid-up Equity Shares, as may be considered necessary by the Board, for the purpose of issue and allotment of 16,92,22,720 (Sixteen Crores Ninety Two Lakhs Twenty Two Thousand Seven Hundred Twenty) Equity Shares as Bonus Shares of face value of ₹ 5/- (Rupees Five only) each credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names shall appear in the Register of Members of the Company or in the Register of Beneficial Owner maintained by the depositories on the "Record Date" to be determined by the Board for this purpose, in the proportion of one Equity Share of ₹ 5/- (Rupees Five only) each for every one fully paid-up Equity Share of ₹ 5/- (Rupees Five only) each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up equity share capital of the Company held by each such Members, and not as income."

"RESOLVED FURTHER THAT the Bonus Shares so allotted to the Members shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date, with a right to participate in full in the dividend declared, if any, after the allotment of such shares."

"RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the Memorandum of Association and Articles of Association of the Company."

"RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares and in case of Members holding shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members holding shares in physical form, the share certificates in respect thereof shall be dispatched, within such time as prescribed by law and the relevant authorities."

"RESOLVED FURTHER THAT the issue and allotment of the bonus shares to the extent that they relate to Non- Resident Indians (NRIs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investor (FPIs) and other Foreign Investors, shall be subject to the approval of RBI or any other regulatory authority, if and as may be necessary or applicable."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to fix the "Record Date" for the purpose and to allot the Bonus Shares and issue share certificates under the Common Seal of the Company in accordance with the Articles of Association of the Company and as per provisions of the Act and the rules made thereunder and to do all such acts, deeds and things whatsoever including settling any question, doubt or difficulty that may arise relating to such issue and allotment of Bonus Shares."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, Board be and is hereby authorized to delegate such powers and/or authority to any one or more of the, Executive Chairman, Chief Financial Officer, Vice President (Finance), Company Secretary or any other person / official to make listing / trading application to the Stock Exchanges and to deal with Depositories and any other authorities as may be required for the aforesaid shares and to sign and execute all necessary forms, paper, writings, agreements and documents as may be deemed necessary and expedient in the aforesaid matters and to do such other acts and deeds required to give effect to the aforesaid resolutions."

Item No. 3

To consider and give assent / dissent to following resolution as a Special Resolutions:

APPOINTMENT OF DR. MAURICE CHAGNAUD AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV to the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Dr. Maurice Chagnaud (holding DIN No. 09592878), who was appointed by the Board of Directors as an Additional Director of the Company, categorized as Independent with effect from 11th May, 2022 and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of 3 (three) consecutive years effective from 11th May, 2022."

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

Registered Office:

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

By Order of the Board of Directors
For **TORRENT PHARMACEUTICALS LIMITED**

MAHESH AGRAWAL
VP (Legal) & Company Secretary

Ahmedabad
25th May, 2022

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. Voting right of a Member shall be in proportion to the shares held by them as on cut-off date i.e. 20th May, 2022. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
3. In accordance with the MCA Circulars, the Postal Ballot Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories as on Friday 20th May, 2022 (“Cut-off date”).
4. Voting process and instructions regarding e-voting:

Section A: Voting Process:

Members should follow the following steps to cast their votes electronically:

Login method for e-voting for individual members holding shares in demat form:

- (i) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Listing Regulations, listed companies are required to provide 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 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 | <ol style="list-style-type: none"> 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System My Easi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the E-voting is in progress as per the information provided by company. On clicking the E-voting option, the user will be able to see E-Voting page of the ESP for casting your vote during the E-Voting period. Additionally, there is also links provided to access the system of all ESPs i.e. CDSL/NSDL/KFINTECH/LINKINTIME, 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access E-Voting page by providing Demat Account Number and PAN No. from a link on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. 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 provided links for the respective ESP where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Members holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 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 e-Voting period. 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/Creditor' 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 e-Voting period. |

| Type of Members | Login Method |
|--|--|
| 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 ESP name and you will be redirected to ESP's website for casting your vote during the e-Voting period. |

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.: 1800 1020 990 and 1800 22 44 30 |

Login method for E-voting 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/Members" module 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 | <p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>Members who have not registered their email address may obtain the sequence number from the Company by following the process defined in Note vi of Section B</p> |
| 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 | <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio no.</p> <p>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.</p> |

- 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 instruction regarding e-voting:

- i. The e-voting period begins on 1st June, 2022 from 09:00 A.M. (IST) and ends on 30th June, 2022 upto 05:00 P.M. (IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20th May, 2022, can cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- 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, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- iii. Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) are required to upload the following in PDF Format in the system for the scrutinizer 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 scrutinizer 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 scrutinizer to verify the same.
- iv. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- v. The last date of receipt of votes through e-voting i.e. 30th June, 2022 shall be the date on which the resolution(s) would be deemed to have been passed, if approved by requisite majority.
- vi. 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
- vii. 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
- viii. 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, Senior 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 calling on Toll free no-1800 22 55 33 during working hours on all working days.

EXPLANATORY STATEMENT

{Pursuant to Section 102 of Companies Act, 2013}

Item No. 1 & 2

Your Company is completing 50 years of its incorporation this year. Commemorating five decades of its successful and rewarding business operation and considering accumulated reserves, the Board of Directors, at its meeting held on 25th May, 2022 has recommended, *inter alia*, an issue of Bonus Shares in the proportion of 1:1 i.e. One new fully paid-up Equity Share of ₹ 5/- each for every one fully paid-up Equity Share of ₹ 5/- each, to the eligible Members of the Company as on the Record Date to be fixed by the Board or a Committee thereof authorised for this purpose. The present paid-up Equity Capital of the Company is ₹ 84,61,13,600/- consisting of 16,92,22,720 Equity Shares of ₹ 5/- each. In accordance with the enabling provisions of the Articles of Association of the Company, the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and such other applicable laws, 16,92,22,720 Equity Shares will be issued and allotted as Bonus Equity Shares by capitalizing a sum of ₹ 84,61,13,600/- (Rupees Eighty Four Crores Sixty One Lakhs Thirteen Thousand Six Hundred only) out of the amount standing to the credit of Securities Premium Account / General Reserve Account or such other eligible account(s) in the aforesaid ratio to the Members whose names appear on a Record Date to be decided by the Board or any Committee thereof authorised for this purpose.

The Bonus Shares so allotted shall rank pari-passu with the existing fully paid-up Equity Shares of the Company in all respects, with a right to participate in full in the dividend declared by the Company after the allotment of Bonus Shares. This is to clarify that the bonus shares so allotted shall not be entitled for dividend recommended by the Board of Directors at its meeting held on 25th May, 2022.

The present Authorised Share Capital of the Company is ₹ 1,50,00,00,000/- (Rupees One Hundred Fifty Crores) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of ₹ 5/- (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Preference Shares of ₹ 100/- (Rupees Hundred) each. In order to facilitate the issue of bonus equity shares and for meeting future requirements, if any, it is proposed to increase the Authorised Share Capital to ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty Five Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹ 5/- (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Preference Shares of ₹ 100/- (Rupees Hundred) each by creation of 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 5/- (Rupees Five) each. The increase in the Authorised Share Capital as aforesaid would entail consequential alteration of the existing Clause V of the Memorandum of Association of the Company.

It is also proposed to authorize the Board of Directors of the Company including any Committee thereof to complete all the formalities in connection with the issue of Bonus Shares.

The increase in the Authorised Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company and capitalization of free reserves for the purpose of issue of bonus equity shares require Members approvals in terms of Sections 13, 61 and 63 of the Companies Act, 2013, Articles of Association of the Company and any other applicable statutory and regulatory requirements.

None of the Directors / Key Managerial Personnel / their relatives is in any way concerned or interested, financially or otherwise in the resolutions except to the extent of their entitlements to Bonus Shares as Members of the Company.

The Board commends these resolutions as set out at Item no. 1 & 2 in the Notice for your approval as an Ordinary Resolutions by way of Postal Ballot.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection upto the last date for receipt of votes through E-voting process, basis the request being sent on investorservices@torrentpharma.com, mentioning their name, Folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card or Aadhar Card attached to the email.

Item No. 3

Pursuant to the recommendations of the Nomination and Remuneration Committee ("NRC"), your Board has at its meeting held on 11th May, 2022 appointed Dr. Maurice Chagnaud (holding DIN No. 09592878) as an Additional Director of the Company categorized as Independent w.e.f. 11th May, 2022 for a term of 3 (three) consecutive years subject to approval of Members.

Dr. Chagnaud also serves as the member of the Audit Committee and Risk Management Committee of the Board of the Company.

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, whichever is earlier. Further, in accordance with Regulation 25(2A) of Listing Regulations, the appointment of an Independent Director ("ID") shall be subject to approval of Members by way of a special resolution.

As per the provision of Section 149(13) read with explanation to Section 152(6) of the Companies Act, 2013 ("the Act"), the period of office of ID will not be liable to determination by retirement of directors by rotation at the Annual General Meeting ("AGM").

The Company has received a Notice in writing from a Member of the Company under Section 160 of the Act, proposing his candidature for the office of ID. He meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

He fulfils the conditions for appointment as ID as specified in the Act and the Rules made thereunder and the Listing Regulations and is independent of the management.

The NRC reviewed the capabilities of Dr. Chagnaud vis a vis the role and capabilities required as decided by the Committee based on the evaluation of balance of skills, knowledge and experience of the existing Board and considered appropriate, to recommend the appointment of Dr. Chagnaud as an ID, for a term of 3 (three) consecutive years effective from 11th May, 2022. In the opinion of NRC and the Board, he possesses appropriate skills, knowledge and expertise required for the efficient functioning of the Company more particularly in the areas of Industry Experience, Strategic leadership, Diversity and financial expertise.

In the opinion of the Board, the Company will benefit from his valuable experience, knowledge and counsel.

Accordingly, it is proposed to appoint Dr. Chagnaud as ID of the Company, not liable to retire by rotation for a term of 3 (three) consecutive years effective from 11th May, 2022.

Copy of the letter for appointment setting out the terms and conditions applicable to ID as applicable to Dr. Chagnaud is available on the Company's website www.torrentpharma.com and shall be available for inspection upto the last date for receipt of votes through E-voting process, basis the request being sent by Member on investorservices@torrentpharma.com, mentioning their name, Folio no. / Client ID and DP ID with a self-attested copy of their PAN card or Aadhar Card attached to the email.

The resolution contained in Item no. 3 of the accompanying Notice, accordingly, seeks members' approval for appointment of Dr. Chagnaud as an ID on the Board of the Company on the terms and conditions as specified in the draft letter of appointment.

Except Dr. Chagnaud himself and his relatives, none of the Directors/ Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item no. 3 of the Notice.

The Explanatory statement may also be regarded as disclosure under applicable provisions of the Listing Regulations.

The Board commends this resolution as set out in the Notice for your approval as Special Resolution by way of Postal Ballot.

Profile of Dr. Maurice Chagnaud

Dr. Maurice Chagnaud, aged 61 years, is a Doctor of Medicine and has done his Masters of Business Administration (Marketing, Strategy, Finance and Administration) from IAE Aix- en-Provence, France. He has done the Strategic Finance Program from IMD, Lausanne, Switzerland.

He has over 26 years of senior executive position in Pharmaceutical business having worked with Pharma majors like Lipha, Merck Kga, Merck Generics, Teva, Lupin and Polpharma as General Manager, Chief Commercial Officer Europe, President and CEO. He had also served as director on the Board of Advanz Pharma, a global pharmaceutical company. He is known for his strong Leadership skills, strategic vision, sharp analytical skills, execution ability, managing complexity, result orientation, and ability to quickly access new situation.

He is the CEO & founder of Mac Healthcare Consulting AG, a boutique consultancy company providing advisory services and support to Financial Sector and Pharma Companies in different sector of activities (generics, OTC, specialities, Biosimilars etc.) wherein he specializes in working on commercial assessment, due-diligence, M&A and strategy development. He recently was involved in several acquisitions (Stada, Zentiva, Rimser, Serb, Theramex, Neurax etc) with different Private Equity entities (Bain, Charterhouse, Blackstone, Carlyle, PAI etc.)

Companies (other than Torrent Pharmaceuticals Limited) in which Dr. Maurice Chagnaud holds directorship and committee membership.

| Sr No | Directorship in Companies | Name of Committee |
|-------|------------------------------|-------------------|
| 1. | Remedica Ltd, Cyprus | - |
| 2. | Mac Healthcare Consulting AG | - |

He has not resigned as director from any listed entity in past 3 years.

Dr. Chagnaud does not hold any shares of your Company. He is not related to any other Directors or any Key Managerial personnel of the Company.

He has attended 2 (two) out of 2 (two) board meetings held since his appointment. He has drawn remuneration of ₹ 3 lakhs since his appointment in form of sitting fees. He will be paid the remuneration in accordance with the resolution no. 7 of the Notice convening the AGM held on 23rd July, 2019 read with the explanatory statement or such other resolution as may be passed by the members from time to time.

Registered Office:

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

By Order of the Board of Directors
For **TORRENT PHARMACEUTICALS LIMITED**

MAHESH AGRAWAL
VP (Legal) & Company Secretary

Ahmedabad
25th May, 2022