



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 Shareholder(s),

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof) and other applicable provisions, if any, that the resolutions given below are proposed to be passed by Postal Ballot:

1. Issuance of Equity Shares including Convertible Bonds / Debentures through Qualified Institutional Placement (QIP) and / or Depository Receipts or any other modes for an amount not exceeding ₹ 5000 crores;
2. Alteration of Articles of Association of the Company;
3. Cancellation of equity shares forfeited by the Company; and
4. Appointment of Ms. Nayantara Bali as an Independent Director.

The Company is, therefore, seeking your consent for the said proposals by Special / Ordinary Resolutions in compliance with the provisions of the Act read with rules made thereunder and other applicable provisions, if any, of the Act or any other statutory enactments. Explanatory Statement pursuant to applicable provisions of the Act pertaining to the said resolutions setting out the material facts and reasons thereof is annexed to the Notice. Said Resolutions and Explanatory Statement thereto along with the Postal Ballot Form is being sent herewith for your consideration.

Electronic Voting (e-voting) : In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management & Administration) Rules, 2014, (including any statutory modifications or re-enactments thereof) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) the Company is pleased to offer the option of e-voting facility to all the shareholders of the Company to enable them to cast their votes electronically. For this purpose, the Company has obtained the services of Central Depository Services (India) Limited (“CDSL”). E-voting is optional for shareholders. The detailed procedure for e-voting is enumerated in Note no. 3 of this Notice. The shareholders who wish to obtain the printed Postal Ballot Form or a duplicate, he or she may send an e-mail to einward.ris@karvy.com. The Registrar and Transfer Agent i.e. Karvy Fintech Private Limited (“Karvy”) shall forward the same along with postage pre-paid self-addressed business reply envelope to the shareholder.

The Company has appointed Shri Rajesh Parekh, Practising Company Secretary as a Scrutinizer and Shri Jitesh Patel, Practising Company Secretary, as an Alternate Scrutinizer to Shri Rajesh Parekh for conducting the Postal Ballot in a fair and transparent manner.

You are requested to peruse the proposed Resolutions along with their Explanatory Statements and thereafter mark your assent or dissent by filling the necessary details and putting your signature at the marked place in the Postal Ballot Form and return the same **in the enclosed postage pre-paid business reply envelope, so as to reach the Scrutinizer on or before 5.00 pm on Thursday, 07th March, 2019**. In respect of shareholders opting for e-voting mode as above, they should cast their vote online from 9.00 am on 06th February, 2019 till 5.00 pm on 07th March, 2019 as per instructions provided in Postal Ballot Form. Your assent / dissent received after 5.00 pm on 07th March, 2019 would be strictly treated as if Postal Ballot Form has not been received from you. Upon completion of scrutiny of the Postal Ballots, 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, 11th March, 2019 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 resolutions as Special Resolutions:

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 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules made thereunder and also including any relevant provisions of the Companies Act, 1956 to the extent that such provisions of the Companies Act, 1956 have

not been superseded by the Companies Act, 2013 (the "Companies Act"), 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, the Depository Receipts Scheme, 2014, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and any statutory modifications, re-enactments or amendments from time to time to the above mentioned 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, stabilizing 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 Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Fully Convertible Debentures and/or Partly Convertible Debentures and/ or Optionally Convertible Debentures and/ or Non convertible Debentures with Warrants and/ or Debentures and/ or other securities convertible into equity shares at the option of the Company and/ or holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to subscribe to the equity shares or otherwise ("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, whether rupee denominated or denominated in foreign currency, 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 stabilizing 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, in Indian Rupees or an equivalent amount in any foreign currency, 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 the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws."

"RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of Securities by a person resident outside India) Regulations, 2017 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactments thereof)."

"RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, subject to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, including any statutory modifications, re-enactments or amendments thereto from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of determining the floor price for conversion of the FCCBs into equity shares shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under applicable law."

"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 (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, 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 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 authorized Committee thereof decides to open the issue of such securities.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.”

“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, finalization 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 or abroad, 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 dematerialized 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 authorized 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 recognized 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, is authorised 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 finalization 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, utilization 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.”

Item No. 2

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

ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) (“the Act”) and subject to other permissions and approvals, if any, as may be required, the Articles of Association of the Company be and is hereby amended by insertion of new Article 38(c) after Article 38(b) as follows:-

“38 (c) – Cancellation of Forfeited shares

The Company may, by a resolution of the Board, decide not to reissue the forfeited shares of the Company. In such a case, the Board may cancel the forfeited shares and transfer the amount received on such shares to capital reserve account or other such accounts as per the applicable provisions of Accounting Standards and Act.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company 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 shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Item No. 3

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

CANCELLATION OF EQUITY SHARES FORFEITED BY THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of Section 61(1)(e) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) (“the Act”) and subject to other permissions and approvals, if any, as may be required, consent of the Company be and is hereby accorded to the cancellation of 14,000 equity shares issued out of the authorised share capital of the Company, which were forfeited by the Company, and which have neither been re-issued nor have been taken up or agreed to be taken up by any person and the amount of issued share capital be and is hereby diminished by an amount of ₹ 35,000 being the amount paid up on the forfeited shares so cancelled.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company 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 shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Item No. 4

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

APPOINTMENT OF MS. NAYANTARA BALI 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 modifications or re-enactments thereof, for time being in force), Ms. Nayantara Bali (holding DIN 03570657), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) consecutive years on the Board of the Company effective from the date of passing of this resolution.”

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

Ahmedabad
30th January, 2019

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

MAHESH AGRAWAL
VP (Legal) & Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on the cut-off date i.e. 25th January, 2019. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
3. Voting process and instructions regarding e-voting:

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 Digits 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.

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 on the Postal Ballot Form in case of the dispatch of Postal Ballot Notice through physical mode and mentioned in the covering e-mail in case of dispatch of soft copy.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio no. 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 number. 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 instruction regarding e-voting:

1. The voting period begins on 06th February, 2019 from 09:00 am and ends on 07th March, 2019 upto 05:00 pm During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 25th January, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Non – Individual Shareholders 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
3. 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 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.
4. The last date for the receipt of duly completed Postal Ballot Forms or e-voting i.e. 7th March, 2019 shall be the date on which the resolution(s) would be deemed to have been passed, if approved by requisite majority.
5. Kindly note that the shareholders can opt only one mode of voting i.e. either by physical Ballot or e-voting. If you are opting for e-voting, then do not vote by physical Ballot and vice versa. However, in case a shareholder has voted both in physical as well as e-voting, then voting done through e-voting shall prevail over physical Ballot and physical Ballot will be treated as invalid.
6. 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, 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. 1800225533 during working hours on all working days.

EXPLANATORY STATEMENT {Pursuant to Section 102 of Companies Act, 2013}

Item No. 1

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 capitalize 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 optimization 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 and rules made thereunder, as amended in case the Company proposes to issue equity shares to any persons other than existing shareholders, whether or not such persons are shareholders, approval of shareholders 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 SEBI Regulations. The “Relevant Date” for this purpose, will be the date when the Board or a duly authorized 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 as provided under Chapter VI of the SEBI Regulations. The resolution enables the Board to offer such discount not exceeding 5% (five per cent) 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 30th January, 2019 has recommended to the shareholders 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 Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds / 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) in Indian Rupees and / or an equivalent amount in any foreign currency under Section 62 read with Section 179 of the Companies Act, 2013, 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 Companies Act, 2013, 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 Companies Act, 2013 ("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 shareholders by way of the special resolution. If approved by shareholders, 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 Shareholders of the Company through postal ballot 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 resolutions contained in item no. 1 of the accompanying Notice, accordingly, seek shareholders' approval through special resolution for raising funds as above through issue of Securities in one or more tranches and authorizing 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 current year.

Directors or key managerial personnel of the Company or 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 these resolutions as set out in the Notice for your approval as Special Resolutions by way of Postal Ballot.

Item No. 2 & 3

In the past, the Board had forfeited 7200 shares of face value of ₹ 10/- each due to non-payment of call money of ₹ 5/- each by the shareholders out of which forfeiture of 200 shares was annulled afterwards on receipt of call money. After split of the shares in the year 2006, at present there are 14,000 forfeited shares of face value of ₹ 5/- each containing total amount of ₹ 35,000 of forfeited capital.

While showing details of the equity share capital in the Balance sheet, the details of forfeited shares also needs to be shown till the time these shares are either re-issued or cancelled. Considering very small quantum of the shares, it is proposed to cancel these shares.

For the above purpose, the Articles of Association ("AOA") is required to be amended so as to authorize the Company to cancel the forfeited shares.

Further, pursuant to Section 61(1)(e) of the Companies Act, 2013, a limited company having a share capital may, if so authorised by its articles, alter its memorandum in its general meeting to cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its issued share capital by the amount of the shares so cancelled.

The resolutions contained in item no. 2 of the accompanying Notice, accordingly, seek shareholders' approval through special resolution for amending the Articles of Association of the Company for authorizing the Board of Directors of the Company to cancel the forfeited shares and to complete all the formalities related thereto.

The resolutions contained in item no. 3 of the accompanying Notice, accordingly, seek shareholders' approval through ordinary resolution to cancel the forfeited shares.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested, financially or otherwise, in the proposed resolutions.

The Board commends these resolutions as set out in the Notice for your approval as Special / Ordinary Resolutions by way of Postal Ballot.

A draft copy of Articles of Association of the Company showing alteration will be available for inspection upto the last date for receipt of Postal Ballot Forms during business hours on working days of the Company at the registered office of the Company.

Item No. 4

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, your Board had at their meeting held on 30th January, 2019 recommended the appointment of Ms. Nayantara Bali as an Independent Director (ID) on the Board of the Company, not liable to retire by rotation, for a term of 3 (three) consecutive years effective from the date of passing of this resolution.

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

The Company has received a Notice in writing from a member of the Company under Section 160 of the Act, proposing her candidature for the office of ID.

Ms. Nayantara Bali meets the criteria of independence as provided in Section 149(6) of the Act and is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

Ms. Bali, 52, has a Bachelors’ degree of Arts in Economics from Stella Maris College, Chennai, India and has done Post Graduate Diploma in Business Management from Indian Institute of Management, Ahmedabad.

She currently serves as the Director with ANV Consulting Pte. Ltd. Singapore (a boutique Management Consultancy that specializes in data analytics), wherein she specializes in P&L business management, strategy, brand management and diversity.

She is a senior business leader with more than three decades of experience. She was associated with Procter & Gamble for over 28 years where she handled various General Management assignments both in India and Overseas. She is known for understanding complex situations and applying sharp strategic thinking, intuition and insight to actions that drive results. She led the diversity program in Asia for Procter & Gamble. She had also served as a director on the Boards of Procter & Gamble Gillette India and Procter & Gamble Health & Hygiene India.

Other Companies in which she holds directorship and committee memberships are as under:

Sr. No.	Directorship in Companies	Name of Committees
1	StarHub Ltd., Singapore	Strategy Committee - Member
2	ANV Consulting Pte. Ltd. Singapore	—

Ms. Bali does not hold any shares of your Company. She is not related to any other Directors and Key Managerial Personnel of the Company.

She will be paid the remuneration in accordance with the resolution no. 8 of the Notice convening the AGM held on 27th July, 2015 read with the explanatory statement or such other resolution as may be passed by the members from time to time.

In the opinion of the Board, she fulfills the conditions for appointment as ID as specified in the Act and Rules made thereunder and Listing Regulations and is independent of the management. She possesses appropriate skills, experience and knowledge.

Copy of the draft letter of appointment of Ms. Bali setting out the terms and conditions of appointment is available on the Company’s website www.torrentpharma.com and also available for inspection by the members upto the last date for receipt of Postal Ballot Forms during business hours on working days of the Company at the registered office of the Company.

Your Board considers that the Company will benefit from Ms. Bali’s valuable experience, knowledge and counsel.

The resolutions contained in item no. 4 of the accompanying Notice, accordingly, seek shareholders’ approval through ordinary resolution for appointment of Ms. Bali as an ID on the Board of the Company on the terms and conditions as specified in the draft letter of appointment.

None of the Directors or Key Managerial Personnel of the Company or their relatives is / are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

This Explanatory Statement may also be regarded as a disclosure under applicable provisions of the Listing Regulations.

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

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

Ahmedabad
30th January, 2019

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

MAHESH AGRAWAL
VP (Legal) & Company Secretary



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 FORM

Postal Ballot No. _____

Sr. No.	Particulars	Details of Shareholder(s)
1.	Name(s) of Shareholder(s)/Beneficial Owner(s) (including joint holders, if any)	
2.	Registered Address of sole/first named Shareholder(s) / Beneficial Owner(s)	
3.	Registered Folio No. DP & ClientID No.	
4.	No. of Shares held	
5.	Sequence No	

I / We hereby exercise my / our vote in respect of the Resolutions to be passed through Postal Ballot for the Businesses stated in the Notice of Postal Ballot dated 30th January, 2019 of the Company by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares held	I / We assent (agree) to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
1.	Special Resolution for issuance of Equity Shares including Convertible Bonds / Debentures through Qualified Institutional Placement (QIP) and / or Depository Receipts or any other modes for an amount not exceeding ₹ 5000 crores.			
2.	Special Resolution for Alteration of Articles of Association of the Company.			
3.	Ordinary Resolution for cancellation of equity shares forfeited by the Company.			
4.	Ordinary Resolution for appointment of Ms. Nayantara Bali as an Independent Director.			

Place :

Date :

Signature of the Shareholder

NOTE: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS FOR VOTING BY PHYSICAL MODE

1. A shareholder(s) desirous to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed postage prepaid business reply envelope. However, envelopes containing Postal Ballots, if sent by courier at the expense of the shareholder(s) will also be accepted.
2. This form should be duly completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company or furnished by NSDL/CDSL to the Company, in respect of shares held in the physical form or demat form respectively) by the first named shareholder and in his absence, by the next named joint shareholder.
3. In case of shares held by Non-Individual shareholders and Custodians (i.e. other than Individuals, HUF, NRI etc.), the duly completed Postal Ballot Form should be accompanied by a copy of Board resolution / Power of attorney issued in favour of the custodian as well as the Board resolution of the custodian.
4. Unsigned / Incomplete / Defaced / Mutilated / incorrectly ticked Postal Ballot Forms etc. will be rejected.
5. Duly completed Postal Ballot Form should reach the Scrutinizer on or before 5.00 pm on 07th March, 2019. Postal Ballot Form received after this time and date will be strictly treated as if the Form from the share holder has not been received.
6. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on the cut-off date i.e. 25th January, 2019. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
7. A shareholder may request for a duplicate Postal Ballot Form, if so required from our Registrar and Transfer Agent M/s. Karvy Fintech Private Limited. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than 5.00 pm on 07th March, 2019.
8. The exercise of vote through Postal Ballot is not permitted through a proxy.
9. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (✓) in the appropriate column. The assent or dissent received in any other Form shall not be considered valid.
10. The Scrutinizer' s decision on the validity of the Postal Ballot Form would be final.
11. Shareholders are requested not to send any other paper/documents along with the Postal Ballot Form. If sent, the same paper/documents will not be acted upon. Shareholders / beneficial owners are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and affixing their signatures.
12. Shareholders are requested to fill the Postal Ballot Form in indelible ink (and avoid filling it by erasable writing medium like pencil).
13. There will be one Postal Ballot Form for every Folio/ Client ID, irrespective of the number of joint holders.
