

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Wednesday, 30<sup>th</sup> July, 2014 at 09:30 AM at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, Gujarat, India, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31<sup>st</sup> March, 2014 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.
2. To confirm the payment of interim dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2014 and to declare final dividend on equity shares for the said financial year.

The Board of Directors at its meeting held on 21<sup>st</sup> January, 2014 declared normal annual dividend as interim dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31<sup>st</sup> March, 2014 and in its meeting held on 9<sup>th</sup> May, 2014 recommended a special dividend as final dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 each for the said financial year.

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

### SPECIAL BUSINESS

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

#### **RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2014-15**

“**RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (“the Act”) and recommendation of the Audit Committee and approval by the Board of Directors at their meetings dated 21<sup>st</sup> January, 2014, the consent of the Company be and is hereby accorded for ratification of the below remuneration to Kirit Mehta & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15:

- a) ₹ 5,00,000/- plus out of pocket expenses & service tax as applicable for conducting the audit of the cost accounting records for the Pharmaceutical activities of all manufacturing facilities of the Company except for its upcoming facility at Dahej SEZ.
  - b) ₹ 60,000/- plus out of pocket expenses & service tax as applicable for issuing the compliance report on cost accounting records maintained in respect of Company's upcoming facility at Dahej SEZ (subject to commencement of commercial production).”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

#### **APPOINTMENT OF SHRI SHAILESH HARIBHAKTI AS AN INDEPENDENT DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Shri Shailesh Haribhakti (holding DIN 00007347), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto five (5) consecutive years effective from 1<sup>st</sup> April, 2014 upto 31<sup>st</sup> March, 2019.”

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

**APPOINTMENT OF SHRI HAIGREVE KHAITAN AS AN INDEPENDENT DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Shri Haigreave Khaitan (holding DIN 00005290), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto five (5) consecutive years effective from 1<sup>st</sup> April, 2014 upto 31<sup>st</sup> March, 2019.”

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

**APPOINTMENT OF SHRI PRADEEP BHARGAVA AS AN INDEPENDENT DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Shri Pradeep Bhargava (holding DIN 00525234), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto five (5) consecutive years effective from 1<sup>st</sup> April, 2014 upto 31<sup>st</sup> March, 2019.”

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

**APPOINTMENT OF SHRI ASHISH NANDA AS AN INDEPENDENT DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Shri Ashish Nanda (holding DIN 06823684), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto five (5) consecutive years effective from 30<sup>th</sup> July, 2014.”

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

**APPOINTMENT OF SMT. BHAVNA DOSHI AS AN INDEPENDENT DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with Schedule IV of the Act, Smt. Bhavna Doshi (holding DIN 00400508), in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto five (5) consecutive years effective from 30<sup>th</sup> July, 2014.”

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

**APPOINTMENT OF SHRI SAMIR MEHTA AS EXECUTIVE CHAIRMAN AND FIXATION OF REMUNERATION**

“**RESOLVED THAT** in pursuance of the provisions under Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to the provisions of Section 152(6) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and any other approval as may be required, the consent of the Company be and is hereby accorded, for the appointment of Shri Samir Mehta as Executive Chairman of the Company for a period of five years effective from the conclusion of the Annual General Meeting of the Company scheduled on 30<sup>th</sup> July 2014 on the following terms and conditions:

1. COMMISSION : At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Companies Act, 2013, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof).
2. PERQUISITES : shall be allowed in addition as under:
  - 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) His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company.
  - (ii) Such appointment shall not be considered as a break in his service as managerial personnel of the Company.
  - (iii) The total remuneration for any year shall not exceed percentage limit of net profits of the Company as specified in the Companies Act, 2013, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V of the Companies Act, 2013 as existing or modified or re-enacted.
  - (iv) He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a Committee thereof."

**"RESOLVED FURTHER THAT** Shri 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 Shri 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 thereof), or such other amount as may be approved by the Central Government from time to time as minimum remuneration."

**"RESOLVED FURTHER THAT** the actual amount of Commission to be paid to Shri Samir Mehta each year and periodicity of payment shall be decided by the Board of Directors or any Committee thereof specifically authorized for this purpose from time to time."

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

**RE-APPOINTMENT OF DR. CHAITANYA DUTT AS DIRECTOR (RESEARCH & DEVELOPMENT) AND FIXATION OF REMUNERATION**

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to the provisions of Section 152(6) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and any other approval as may be required, the consent of the Company be and is hereby accorded for re-appointment of Dr. Chaitanya Dutt as a Whole-time Director of the Company, to be designated as Director (Research & Development) with effect from 1<sup>st</sup> January, 2015 for a period of 2 years on the following terms of remuneration:

1. BASIC SALARY : ₹ 1,400,000 per month with effect from 1<sup>st</sup> January, 2015;  
Salary may be revised, as may be decided by the Board from time to time, within the maximum ceiling of ₹ 2,500,000/- per month.
2. PERQUISITES : The appointee will be also allowed the perquisites as under:
  - A.
    - (i) The Company shall pay House Rent Allowance @ 60% of the salary.
    - (ii) The Company shall reimburse annual fees for two clubs.
    - (iii) The Company shall pay the premium on personal accident insurance policy as per Company rules.
    - (iv) The Company shall pay the premium on medical insurance for self and family as per the Company rules.
  - B.
    - (i) The Company shall provide a car with driver for official and personal use.
    - (ii) The Company shall provide telephones at his residence, the cost of which will be borne by the Company.
  - C.
    - (i) Company's contribution to the provident fund will be as per applicable laws and rules of the Company.
    - (ii) Company's contribution to the superannuation scheme will be as per applicable laws and rules of the Company.
    - (iii) He will be entitled to Gratuity as per applicable laws and rules of the Company.
3. OTHER TERMS :
  - (i) His entitlement for leave and its accumulation and encashment shall be as per prevailing Company rules.
  - (ii) The total remuneration for any year shall not exceed 5% of the profits of the Company as calculated in accordance with Section 198 of the Companies Act, 2013, as existing or modified or re-enacted from time to time.

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

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

Ahmedabad  
9<sup>th</sup> May, 2014

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(1) and (2) of the Companies Act, 2013 in respect of Item No. 3 and Special Business i.e. Item Nos. 5 to 12 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
5. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its registered office not later than 48 hours before the commencement of the meeting.
6. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
8. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. As per SEBI Circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March, 2013, listed companies are required to use, either directly or through their RTA, any RBI approved electronic mode of payment like ECS, NECS, NEFT etc. for distribution of dividends or providing other cash benefits to the investors. Accordingly, the members, holding shares in physical form, are requested to update their address or provide / update their bank mandate (including details of MICR, IFSC etc.) with the Company or its Registrars & Transfer Agents (RTA), Karvy Computershare Private Limited and members holding shares in dematerialized form are requested to intimate any change in their address or to change / update bank mandate with their Depository Participants (DP) to enable the Company or RTA for making arrangements for electronic credit of dividend and other cash benefits to members.
10. The Company has decided to close the Register of Members and the Share Transfer Register for a period of three days from 18<sup>th</sup> June, 2014 to 20<sup>th</sup> June, 2014 (both days inclusive) for determining the name of members eligible for final dividend on equity shares, if declared at this meeting.  
  
The final dividend on equity shares, if declared at the meeting, will be paid / dispatched on or around 4<sup>th</sup> August, 2014 to those members whose names appear on the Company's Register of Members or on records of National Securities Depository Limited or Central Depository Services (India) Limited as beneficial owners as on 20<sup>th</sup> June, 2014.
11. Trading in the shares of the Company can be done in dematerialized form only. 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. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
12. The members who have not encashed their Dividend Warrants for previous financial years are requested to send the same for revalidation to the Company's RTA.

Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the RTA.

During the year, the Company has requested those shareholders, whose dividends for previous financial years remaining unclaimed / unpaid, for claiming said dividend amount before transfer thereof to Investor Education and Protection Fund (IEPF).

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

In compliance with the same, unclaimed dividend for the financial year 2005-06 and interim dividend 2006-07 has already been transferred to the IEPF.

13. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
14. The Notice of 41<sup>st</sup> AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2014 is uploaded on the Company's website [www.torrentpharma.com](http://www.torrentpharma.com) and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

15. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the Annual General Meeting is annexed to this Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 41<sup>st</sup> Annual General Meeting (AGM) by electronic means and all the items of the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (Karvy). Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut of date i.e. 17<sup>th</sup> June, 2014, may cast their vote electronically. The user id and password alongwith detailed instructions for e-voting through the e-voting platform provided by Karvy, forming part of the Notice, is enclosed with this Annual Report.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (09:30 a.m. to 06:30 p.m.) on all working days except second and fourth Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

#### **Item No. 3**

In terms of Section 149 read with Section 152(6) of the Companies Act, 2013, which has been brought into force with effect from 1<sup>st</sup> April, 2014, the provisions of retirement of directors by rotation are not applicable to Independent Directors and the office of two-thirds of all Non-Independent Directors will be liable to determination by retirement of directors by rotation. As per

Article 160 of the Articles of Association of the Company read with above provisions, the period of office of Shri Samir Mehta, Executive Vice Chairman and Dr. Chaitanya Dutt, Director (Research & Development), though both were appointed by the shareholders for a fixed term, have become liable to determination by retirement by rotation. Accordingly, Shri Samir Mehta, being the longest in office amongst the Directors liable to retire by rotation, will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The period of office of Shri Samir Mehta, if re-appointed, shall not be considered as a break in his service as managerial personnel of the Company.

#### **Item No. 5**

The Board of Directors, at its meeting held on 21<sup>st</sup> January, 2014, on recommendation of the Audit Committee, approved the appointment of Kirit Mehta & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15 at fees of ₹ 5,00,000/- for conducting the audit of the cost accounting records for the Pharmaceutical activities of all manufacturing facilities of the Company except for its upcoming facility at Dahej SEZ and at a fees of ₹ 60,000/- for issuing the compliance report on cost accounting records maintained in respect of upcoming facility at Dahej SEZ (subject to commencement of commercial production), plus out of pocket expenses & service tax as applicable.

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), requires the Board to appoint an individual, who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such cost auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

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 2014-15.

None of the Directors of the Company is in anyway concerned or interested in the proposed resolution.

The Board commends this resolution for your approval.

#### **Item Nos. 6 to 8**

The following Directors have been acting as Independent Directors on the Board of the Company under the provisions of Clause 49 of the Listing Agreement:

- a) Shri Shailesh Haribhakti since October, 2010;
- b) Shri Haigreave Khaitan since January, 2012;
- c) Shri Pradeep Bhargava since October, 2012.

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, your Board has at their meeting held on 9<sup>th</sup> May, 2014 recommended the appointment of aforesaid Directors as Independent Directors on the Board of the Company for a term of five (5) consecutive years effective from 1<sup>st</sup> April, 2014 till 31<sup>st</sup> March, 2019.

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1<sup>st</sup> April, 2014, have brought sea changes in the laws relating to Independent Directors ("INEDs") encompassing their appointment, tenure of such appointment, role and responsibilities, retirement, etc. In terms of provisions of Section 149(10) of the Act, an INED shall hold office for a term upto five (5) consecutive years and as per Schedule IV of the Act, the appointment of INEDs shall be approved at the meeting of the shareholders. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of INEDs will not be liable to determination by retirement of directors by rotation at the Annual General Meeting.

The Company has received separate Notices in writing under the provisions of Section 160 of the Act from members along with deposit of ₹ 1,00,000/- each proposing the candidature of Shri Haribhakti, Shri Khaitan and Shri Bhargava for the office of INEDs, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

All these existing INEDs have given their consent and the declaration regarding their independence in terms of the provisions of the Act. In the opinion of the Board, they fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors.

All of above INEDs are eminent personalities in their respective fields. Particulars of the qualifications, brief resume, area of expertise and other details of the said Directors are provided in the Annexure attached to this Notice.

In view of above, your Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as INEDs.

The resolutions contained in Item nos. 6 to 8 of the accompanying Notice, accordingly, seek members' approval for appointment of Shri Shailesh Haribhakti, Shri Haigreve Khaitan and Shri Pradeep Bhargava as Independent Directors on the Board of the Company on the terms & conditions as specified in the draft letter of appointment.

Copy of the draft letter of appointment of Shri Haribhakti, Shri Khaitan and Shri Bhargava as Independent Directors setting out the terms and conditions is available for inspection by the members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting.

Except Shri Haribhakti, Shri Khaitan and Shri Bhargava respectively, to whom the related resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions as set out at Item Nos. 6 to 8.

The Board commends these resolutions for your approval.

#### **Item No. 9**

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, your Board has at their meeting held on 9<sup>th</sup> May, 2014 recommended the appointment of Shri Ashish Nanda as Independent Director on the Board of the Company for a term of five (5) consecutive years effective from 30<sup>th</sup> July, 2014 till 29<sup>th</sup> July, 2019.

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1<sup>st</sup> April, 2014, have brought sea changes in the laws relating to Independent Directors ("INEDs") encompassing their appointment, tenure of such appointment, role and responsibilities, retirement, etc. In terms of provisions of Section 149(10) of the Act, an INED shall hold office for a term upto five (5) consecutive years and as per Schedule IV of the Act, the appointment of INEDs shall be approved at the meeting of the shareholders. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of INEDs will not be liable to determination by retirement of directors by rotation at the Annual General Meeting.

The Company has received a Notice in writing under the provisions of Section 160 of the Act from a member along with deposit of ₹ 1,00,000/- proposing the candidature of Shri Ashish Nanda for the office of Independent Director, to be appointed as such under the provisions of the Companies Act, 2013.

Shri Ashish Nanda has given his consent and the declaration regarding his independence in terms of the provisions of the Act. In the opinion of the Board, he fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Independent Director of the Company.

Particulars of the qualification, brief resume, area of expertise and other details of Shri Nanda are provided in the Annexure attached to this Notice.

Your Board considers that the Company will benefit from Shri Nanda's valuable, experience, knowledge and counsel.

The resolution contained in Item no. 9 of the accompanying Notice, accordingly, seek members' approval for appointment of Shri Ashish Nanda as Independent Non-Executive Director on the Board of the Company on the terms & conditions as specified in the draft letter of appointment.

Copy of the draft letter of appointment of Shri Nanda as Independent Director setting out the terms and conditions is available for inspection by the members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting.

Except Shri Nanda, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution as set out at Item no. 9.

The Board commends this resolution for your approval.



#### **Item No. 10**

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, your Board has at their meeting held on 9<sup>th</sup> May, 2014 recommended the appointment of Smt. Bhavna Doshi as Independent Director on the Board of the Company for a term of five (5) consecutive years effective from 30<sup>th</sup> July, 2014 till 29<sup>th</sup> July, 2019.

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1<sup>st</sup> April, 2014, have brought sea changes in the laws relating to Independent Directors ("INEDs") encompassing their appointment, tenure of such appointment, role and responsibilities, retirement, etc. In terms of provisions of Section 149(10) of the Act, an INED shall hold office for a term upto five (5) consecutive years and as per Schedule IV of the Act, the appointment of INEDs shall be approved at the meeting of the shareholders. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of INEDs will not be liable to determination by retirement of directors by rotation at the Annual General Meeting.

The Company has received a Notice in writing under the provisions of Section 160 of the Act from a member along with deposit of ₹ 1,00,000/- proposing the candidature of Smt. Bhavna Doshi for the office of INED, to be appointed as such under the provisions of the Companies Act, 2013.

Smt. Bhavna Doshi has given her consent and the declaration regarding her independence in terms of the provisions of the Act. In the opinion of the Board, she fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as INED of the Company

Particulars of the qualification, brief resume, area of expertise and other details of Smt. Doshi are provided in the Annexure attached to this Notice.

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

The resolution contained in Item no. 10 of the accompanying Notice, accordingly, seek members' approval for appointment of Smt. Bhavna Doshi as Independent Non-Executive Director on the Board of the Company on the terms and conditions as specified in the draft letter of appointment.

Copy of the draft letter of appointment of Smt. Bhavna Doshi as Independent Director setting out the terms and conditions is available for inspection by the members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting.

Except Smt. Doshi, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution as set out at Item no. 10.

The Board commends this resolution for your approval.

#### **Item No. 11**

Shri Sudhir Mehta, at the meeting of the Board of Directors held on 9<sup>th</sup> May, 2014, communicated to the Board his desire to relinquish the position as the Chairman of the Board and the Company, with a view to spend more time on social activities in which he is already involved and also spare more time for himself. The Board has agreed to his request with great reluctance, in view of Shri Sudhir Mehta continuing as a permanent member of the Board of the Company and accepting the position of Chairman Emeritus effective from the conclusion of the Annual General Meeting of the Company scheduled on 30<sup>th</sup> July 2014, so that his counsel and advise emanating from his vast experience would continue to be available to the Board and the Company.

The Board, at their aforesaid meeting, also appointed Shri Samir Mehta, who is currently the Executive Vice Chairman, as Executive Chairman of the Company, subject to shareholders approval, from the conclusion of the forthcoming Annual General Meeting of the Company scheduled on 30<sup>th</sup> July 2014, for a period of five (5) years with pre-closure of his existing term as Executive Vice Chairman. This step of Shri Sudhir Mehta assuming the role of Chairman Emeritus and elevating Shri Samir Mehta as Executive Chairman, has been taken as part of good governance initiative to achieve the objective of smooth succession to younger leadership.

Shri Samir Mehta has been associated with the Company since 1986 and as Executive Vice Chairman with effect from 1<sup>st</sup> August, 2010. As Executive Vice Chairman of the Company, he has substantial powers of management, as that of a Managing Director, subject to superintendence, control and direction of the Chairman and Board of Directors of the Company.

Particulars of the qualification, brief resume, area of expertise and other details of Shri Samir Mehta are provided in the Annexure attached to this Notice.

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. Such appointment will not be considered as a break in his service with the Company.

The resolution contained in Item no. 11 of the accompanying Notice, accordingly, seek members' approval for appointment of Shri Samir Mehta as Executive Chairman of the Board and of the Company on the terms and conditions as specified in the resolutions.

Copy of the terms and conditions of appointment is available for inspection by the members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting.

Shri Samir Mehta is deemed to be concerned or interested in the resolution. Shri Sudhir Mehta, being relative of Shri Samir Mehta, is also to be considered interested in the resolution. None of other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution as set out at Item no. 11.

The Board commends this resolution for your approval.

#### **Item No. 12**

Dr. Chaitanya Dutt has been working as Director (Research & Development) of the Company since 27<sup>th</sup> June, 2000 and his existing tenure will expire on 31<sup>st</sup> December, 2014 as per the shareholders resolution passed at the Annual General Meeting held on 23<sup>rd</sup> July, 2012. The Board of Directors of the Company at their meeting held on 9<sup>th</sup> May, 2014, re-appointed Dr. Dutt as Whole-time Director of the Company, to be designated as Director (Research & Development) for a period of two years effective from 1<sup>st</sup> January, 2015, subject to approval of the members.

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

Particulars of his qualifications, brief resume, area of expertise and other details are provided in the Annexure attached to this Notice.

No Director, except Dr. Dutt, is concerned or interested in his re-appointment and remuneration payable to him as Director (Research & Development).

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

The Board commends this resolution for your approval.

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

Ahmedabad  
9<sup>th</sup> May, 2014

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

**MAHESH AGRAWAL**  
VP (Legal) & Company Secretary

## ANNEXURE TO THE NOTICE

### INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS PER NOTE 15 TO THE NOTICE:

#### Shri Shailesh Haribhakti

Shri Shailesh Haribhakti, aged 58 years, is a Chartered and Cost Accountant, Certified Internal Auditor, Financial Planner and Fraud Examiner. During a career span of four decades, he has successfully established and led many innovative services. His current passion involves Outsourcing of Knowledge Processes, Engaged Investing and efficiency & effectiveness enhancement in Social, Commercial and Governmental organisations. He strongly believes in 'shared value' creation, good public and corporate governance and promoting a green environment. He is actively promoting these causes and contributes towards their evolution by participating in the process of framing regulations and standards. He is currently serving as a member on the Board of several big listed and unlisted companies.

*Companies (other than Torrent Pharmaceuticals Limited) in which Shri Shailesh Haribhakti holds directorship and committee membership:*

Sr. No.	Directorship in Companies / Organisations (excluding alternate directorship)	Name of Committees
1.	Future Lifestyle Fashions Limited	Audit Committee – Chairman
2.	Blue Star Limited	Audit Committee – Chairman
3.	Raymond Limited	Audit Committee – Chairman
4.	L&T Finance Holdings Limited	Audit Committee – Chairman
5.	Mahindra Lifespace Developers Limited	Audit Committee – Member
6.	NSDL e-Governance Infrastructure Limited	Audit Committee – Member
7.	ACC Limited	-
8.	J K Paper Limited	-
9.	Milestone Capital Advisors Limited	-
10.	Karam Chand Thapar & Bros. (Coal Sales) Limited	-
11.	Ambuja Cements Limited	-
12.	Haribhakti Moti India Private Limited	-
13.	DH Consultants Private Limited	-
14.	Quadram Solutions Private Limited	-
15.	J M Financial Asset Reconstruction Co. Private Limited	-
16.	Planet People & Profit Consulting Private Limited	-
17.	MentorCap Management Private Limited	-
18.	AAA Infrastructure Consulting & Engineers Private Limited	-
19.	Reliance Enterprises & Ventures Private Limited	-
20.	ADA Enterprises & Ventures Private Limited	-
21.	AAA International Capital Private Limited	-
22.	AAA Industries Private Limited	-
23.	HB Advisory Services Private Limited	-

Shri Shailesh Haribhakti holds 6,000 shares of the Company.

#### Shri Haigreve Khaitan

Shri Haigreve Khaitan, aged 43 years, is a Corporate and Commercial lawyer and a Partner of Khaitan & Co. Shri Khaitan heads Khaitan & Co.'s Mergers & Acquisitions (M&A) practice. He joined Khaitan & Co. in the year 1988. He spent considerable

years of his initial practice in representing clients on litigation matters, and thereafter, he went on representing many clients on project finance and real estate transactions. Shri Khaitan presently focuses his practice on M&A, Private Equity, Venture Capital, Corporate Restructuring and advises various Indian and international clients on other strategic transactions. He comes highly recommended by world's leading law chambers / legal accreditation bodies as one of the leading lawyers in India and as the leading lawyer for Project Finance in Asia. He is currently serving as a member on the Board of several big listed and unlisted companies.

Companies (other than Torrent Pharmaceuticals Limited) in which Shri Haigreve Khaitan holds directorship and committee membership:

Sr. No.	Directorship in Companies / Organisations (excluding alternate directorship)	Name of Committees
1.	Harrisons Malayalam Limited	Audit Committee – Member
2.	Inox Leisure Limited	Audit Committee – Member
3.	Jindal Steel & Power Limited	Audit Committee – Member
4.	National Engineering Industries Limited	Audit Committee – Member Shareholder's Grievance Committee – Member
5.	Sterlite Technologies Limited	Audit Committee – Member
6.	AVTEC Limited	Audit Committee – Member
7.	Xpro India Limited	-
8.	Great Eastern Energy Corporation Limited.	-
9.	Ambuja Cements Limited	-
10.	Firstsource Solutions Limited	-
11.	Bajaj Corp Limited	-
12.	Ceat Limited	-
13.	Bharat Fritz Werner Limited	-
14.	Karam Chand Thapar & Bros (Coal Sales) Limited	-
15.	Vinar Systems Private Limited	-

Shri Haigreve Khaitan does not hold any shares of the Company.

### Shri Pradeep Bhargava

Shri Pradeep Bhargava, aged 64 years, has been associated with Cummins group since 2000 and was Managing Director of Cummins Generator Technologies India Limited from 2003 to April 2012. He holds B. Sc. (Honours) degree from Rajasthan University, Jaipur, B.E. (Electronics and Communications) degree from Indian Institute of Science, Bangalore and completed his MBA from Indian Institute of Management (IIM), Ahmedabad in the year 1971. After graduating from IIM, Ahmedabad, first ten years of Shri Bhargava were with Public Sectors i.e. Atomic Energy Commission, Electronics Commission and at Bharat Heavy Electricals Limited. Prior to joining Cummins, he was Managing Director of GE Lighting India for 3 years. He had worked with Kalyani Group (Bharat Forge) for 15 years from 1982-1997.

He was the Chairman of Western Region Council of CII for the year 2012-13. He is Member of the Executive Committee of Mahratta Chambers of Commerce Industry & Agriculture. His key contributions have been Conceiving, Steering and Implementing the now famous “**Pune Model**” by virtue of which the city of Pune has been able to mitigate Load Shedding for the last 5 years. His primary focus has been to integrate the experience and knowledge of industry into causes which benefits both, the Society and the Environment. Under his leadership, Cummins has set up “**India's First Green Factory**” at Ranjangaon, near Pune.

He has also been associated with various academic institutes including Indian Institute of Management (Ahmedabad, Bangalore & Udaipur) and Symbiosis International University as guest faculty and / or in other capacity. He is also serving as a member on the Board of several other companies.

*Companies (other than Torrent Pharmaceuticals Limited) in which Shri Pradeep Bhargava holds directorship and committee membership:*

Sr. No.	Directorship in Companies / Organisations (excluding alternate directorship)	Name of Committees
1.	Automotive Stampings and Assemblies Limited	Audit Committee – Chairman Shareholder Grievance & Compliance Committee – Member Remuneration & Nomination Committee – Member
2.	Persistent Systems Limited	Audit Committee – Member Shareholder's / Investor's Grievance Committee – Member Nomination and Governance Committee – Member
3.	Rajkumar Forge Limited	Audit Committee – Chairman
4.	Cummins Generator Technologies India Limited	-
5.	Jost's Engineering Company Limited	-
6.	Cummins Technologies India Limited	-
7.	Cummins India Limited	-
8.	Pragati Leadership Institute Private Limited	-
9.	Secure International Holding Pte. Limited	-
10.	Pune City Connect Development Foundation	-

Shri Pradeep Bhargava does not hold any shares of the Company.

#### **Shri Ashish Nanda**

Shri Ashish Nanda, aged 53 years, is Director of Indian Institute of Management, Ahmedabad (IIMA). Shri Nanda has a PhD in Business Economics (Harvard), AM in Economics (Harvard), PGDM in Management (IIMA) and B.Tech. in Electrical Engineering (IIT Delhi). Before his PhD, he worked for five years with the Tata group of companies as Tata Administrative Services officer.

Before joining IIMA, he was at Harvard Law School for seven years. As Robert Braucher Professor of Practice, he taught "Professional Services," "Leadership in Law Firms" and "Professional Services: Advanced Topics" in the JD program. He was faculty director of Executive Education, faculty director of the Case Development Initiative and research director at Program on the Legal Profession. Before Harvard Law School, Nanda was a Harvard Business School faculty member for 13 years, where he taught in MBA, DBA and Executive Education courses, including "Leadership in Professional Services" and "Owners Presidents Managers."

Shri Nanda continues to be affiliated with Harvard University as Robert Braucher Professor of Practice (on leave) at Harvard Law School and Harvard Business School Executive Education Fellow. He continues to teach in executive education programs at Harvard University.

A recipient of the Henry B. Arthur Fellowship, the Center in Ethics and the Professions Fellowship, President of India Gold Medal (twice) and the IIMA Director's Gold Medal, he has published several case studies and Harvard Business Review articles and is a coauthor (with Tom DeLong) of Professional Services: Cases & Text. His research, in the form of conceptual articles, case studies, surveys and large sample empirical analyses, focuses on professional services. It encompasses three streams – management of professional service organizations, professionals' labor market and professionalism.

Shri Nanda has advised professional service organizations including asset management, investment banking, accounting, advertising, engineering consulting, executive search, human resource consulting, IT consulting, management consulting, law firms, public relations and real estate firms. His work with these organizations has spanned strategic planning, organization design, governance systems, succession planning, compensation systems, recruitment and promotion practices, leadership development and coaching senior executives. He does not hold any directorship in any other Company.

### **Smt. Bhavna Doshi**

Smt. Bhavna Doshi, aged 60 years, is a fellow member of the Institute of Chartered Accountants of India and holds a Master Degree in Commerce from Mumbai University. She has had an exemplary academic career and was ranked second, at both, intermediate and final examinations conducted by the Institute of Chartered Accountants of India (ICAI). She is currently providing advisory services in the fields of taxation, accounting, corporate and regulatory matters. She has rich experience of over 3 decades as partner in renowned firms of chartered accountants, B S Mehta & Co., RSM & Co. and Bharat S Raut & Co. (member firm of KPMG in India). She is an elected member of the Council of Institute of Chartered Accountants of India for four terms, she served on its various committees and very actively contributed to the formulation of accounting standards in India, research publications, taxation and Vision Exercise for ICAI besides other areas. She was elected to the Western India Regional Council of the ICAI and held positions of Secretary and Chairperson. She was the President of the Indian Merchants' Chamber, a leading Chamber of Commerce headquartered at Mumbai and besides various innovative projects, she was instrumental in establishing IMC Inclusive Innovation Awards for recognition of work of grass root innovators and mentoring and supporting them in taking their innovative products and services to the market and scaling up their ventures.

She was a member of the Compliance Advisory Panel of International Federation of Accountants, New York as also of Government Accounting Standards Advisory Board constituted by Controller and Auditor General of India. During her tenure in the Compliance Advisory Panel, a program for evaluation of compliance with the global standards was launched and very successfully implemented at global level. She has addressed many conferences and seminars organised by various trade and professional organisations on variety of subjects. She is also involved in social sector projects.

She is also serving as a member on the Board of several other companies.

Companies in which Smt. Doshi holds directorship and committee membership:

<b>Sr. No.</b>	<b>Directorship in Companies / Organisations (excluding alternate directorship)</b>	<b>Name of Committees</b>
1.	Everest Industries Limited	-
2.	Peninsula Land Limited	-
3.	Peninsula Investment Management Company Limited	-
4.	SEAMEC Limited	-
5.	Walchandnagar Industries Limited	-
6.	LIC Pension Fund Limited	-
7.	Indian Merchants' Chamber	-
8.	Connect Capital Private Limited	-
9.	Connect Infotain Private Limited	-

### **Shri Samir Mehta**

Shri Samir Mehta, aged 50 years, holds a Masters Degree in Business Management and has been associated with the Company since 1986. Under his leadership, the Company has grown into becoming one of the most respected pharmaceutical companies in India. Under his able guidance, the Company consolidated its position in the domestic market, built leadership positions in several brands and has established a strong & growing profitable operation. The Company has also successfully established itself in the international markets such as Brazil, Germany and U.S.A. and today, the international business accounts for about 60% of the total revenue of the Company. He has been instrumental in identifying emerging opportunities - be it forays into new therapies or geographies or striking alliances with global leaders in the industry or creating resources to match the exacting demands of the markets. Apart from setting up an orderly and a system oriented organisation, development of prudent financial management policies and balanced human resource policies have been a hallmark of his leadership.

He is also serving as a member on the Board of several other group companies.

*Companies (other than Torrent Pharmaceuticals Limited) in which Shri Samir Mehta holds directorship and committee membership:*

Sr. No.	Directorship in Companies / Organisations (excluding alternate directorship)	Name of Committees
1.	Torrent Power Limited	Committee of Directors – Chairman Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member
2.	Torrent Energy Limited	Audit Committee – Chairman
3.	Torrent Private Limited	-
4.	Diamond Infrastructure Limited	-

Shri Samir Mehta holds 1,03,34,960 shares (including 20,80,000 shares held in the name of Samir Mehta HUF) of the Company.

#### **Dr. Chaitanya Dutt**

Dr. Chaitanya Dutt, aged 63 years, is one of the key functionaries in the top management team and has been associated with the Company for more than three decades. He holds an MD in Medicine and had practiced as a consulting physician before joining the Company in 1982.

He is in charge of the Research and Development activities including quality and regulatory matters. His existing tenure as Director (Research & Development) will expire on 31<sup>st</sup> December, 2014. At the age of 63, he has been expressing his desire to retire from services and have more time for himself and his family.

Acceding to his desire, it was earlier thought that he would be retiring from the Company by 31<sup>st</sup> December, 2014. This was in tandem with the development of alternate structure to shoulder his responsibilities. While most of the activities and agenda has been substantially completed, in view of the major regulatory changes being brought about by Governments across the world and the challenges arising there from, it was thought, prudent to continue to avail the benefit of his vast experience and knowledge for supervising the transition. Hence it is proposed to extend his term by two years, i.e. from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2016. He does not hold any directorship in any other Company.

Dr. Chaitanya Dutt holds 800 shares of the Company.