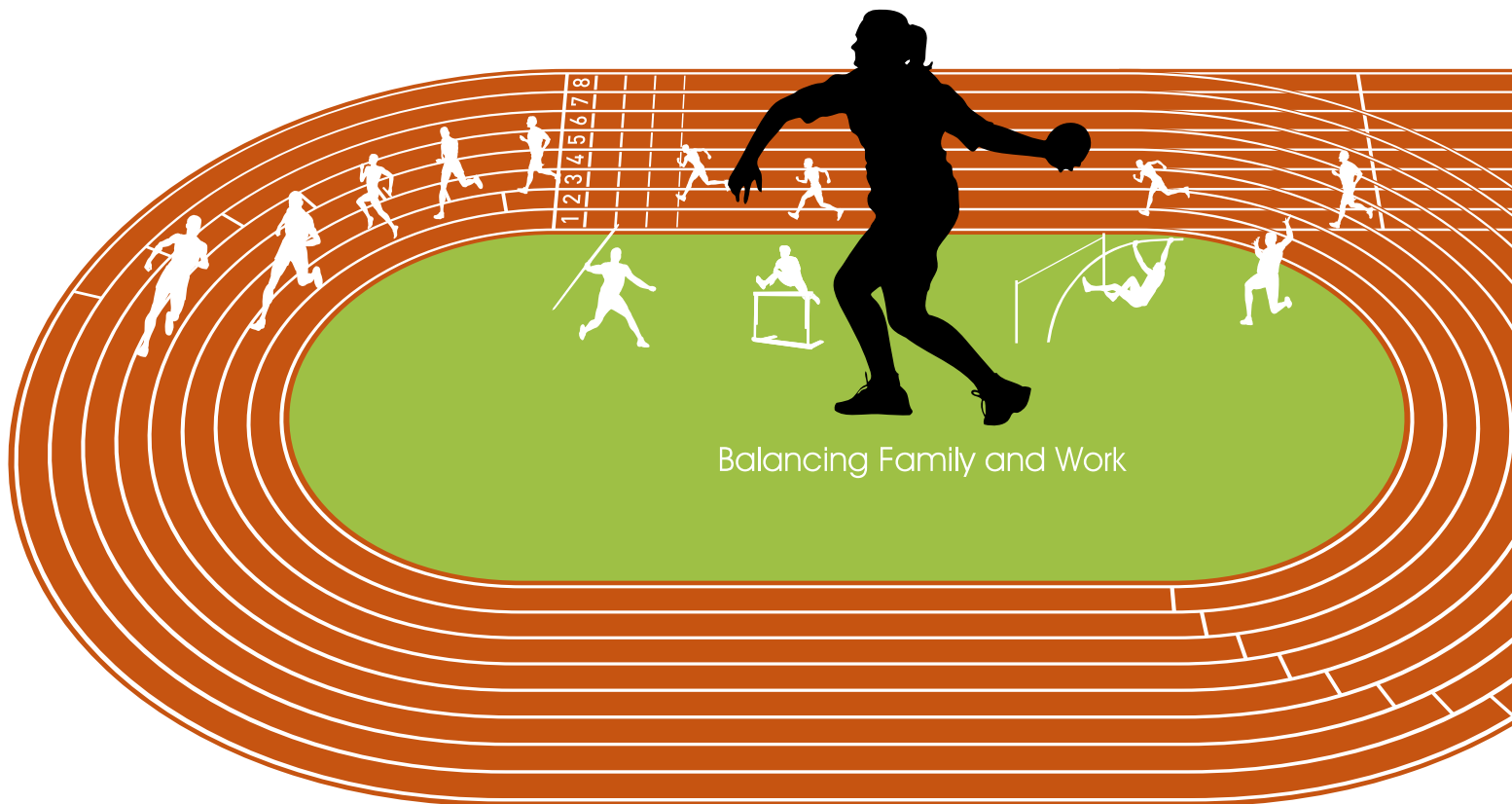


Family First

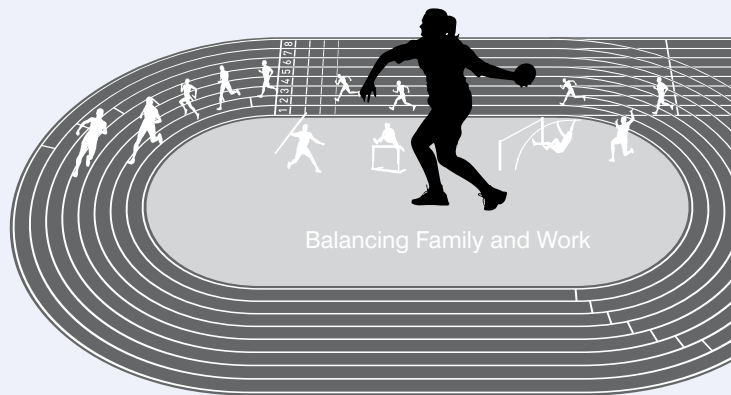


Balancing Family and Work

41st Annual Report 2013-14



Family First



At Torrent, we strongly believe in placing the **Family First**. A woman, akin to a discus-thrower, balances her life filled with challenges at home and work, to reach her ultimate goals - both personal and professional. Torrent endeavours to provide a conducive work environment so that women at Torrent can achieve the desired work-life balance.

Family First

Woman personifies sacrifice, support and versatility. She puts others before self - be it family, friends or colleagues – truly sacrificial; she is ever-supporting but remains behind the scenes – a great support system; she handles both home and work with ease – versatility at its best.

Like a discus-thrower moving in rhythm with perfect balance and strength to achieve a farther distance, a woman balances her personal and professional life with sacrifice, support and versatility enabling her to achieve the goals and well-being of her family.

Torrent strongly believes that a woman may not be able to work stress-free and contribute to the organisation at the cost of her family, happiness and comfort. Hence, with the philosophy of placing the 'Family First', it endeavours to provide a facilitative, encouraging and enhancing work environment to enable her achieve the work-life balance.

Besides giving priority to gender diversity, encouraging her greater participation and understanding her requirements in detail, from her as well as from other organisations in the world, Torrent has evolved a policy framework accommodating her needs to perform various roles in the organisation and has initiated plans to implement it.

It is difficult to enumerate all her qualities and generally manifested personality traits which primarily culminate in her sacrifice, support and versatility.

Torrent salutes this persona of woman.

The Policy Framework

Facilitation



Extended maternity leave, half-day working with full pay during pre-natal and post-natal phases and periodic medical check-ups inter-alia, pave the way for women at Torrent to address their special needs.

Encouragement



Targeted increase in strength in defined time period, opportunities for second career, recruitment and advancement without gender bias, among others, provide impetus for greater participation of women at Torrent.

Enhancement



Emphasis on career planning of eligible women employees, appropriate functional and / or managerial trainings and assignment of specific projects enable enrichment of women's role at Torrent.

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CORPORATE INFORMATION

DIRECTORS

1. Shri Sudhir Mehta
Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava
4. Shri Shailesh Haribhakti
5. Shri Haigreve Khaitan
6. Shri Samir Mehta
Executive Vice Chairman
7. Dr. Chaitanya Dutt
Director (Research & Development)

AUDIT COMMITTEE

1. Shri Shailesh Haribhakti
Chairman
2. Shri Pradeep Bhargava
3. Shri Haigreve Khaitan

SECURITIES TRANSFER & STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Shri Sudhir Mehta
Chairman
2. Shri Markand Bhatt
3. Shri Samir Mehta

NOMINATION AND REMUNERATION COMMITTEE

1. Shri Shailesh Haribhakti
Chairman
2. Shri Markand Bhatt
3. Shri Pradeep Bhargava

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Shri Pradeep Bhargava
Chairman
2. Shri Markand Bhatt
3. Dr. Chaitanya Dutt

COMMITTEE OF DIRECTORS

1. Shri Markand Bhatt
Chairman
2. Shri Samir Mehta

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Shri Ashok Modi

VP (LEGAL) & COMPANY SECRETARY

Shri Mahesh Agrawal

AUDITORS

Deloitte Haskins & Sells, Ahmedabad
Chartered Accountants

REGISTERED OFFICE

Torrent House,
Off Ashram Road,
Ahmedabad – 380 009,
Gujarat, India
Phone: + 91 79 26585090 / 26583060
Fax: + 91 79 26582100

MANUFACTURING FACILITIES

1. Village Indrad, Taluka Kadi,
Dist. Mehsana (Gujarat)
2. Village Bhud,
Baddi, Teh. Nalagarh,
Dist. Solan (Himachal Pradesh)
3. 32 No. Middle Camp, NH – 31 A,
East District, Gangtok (Sikkim)

DAHEJ PROJECT SITE

Plot No. Z104-106, Dahej SEZ Phase II,
Taluka Vagra, Dist. Bharuch (Gujarat)

RESEARCH & DEVELOPMENT FACILITY

Village Bhat, Dist. Gandhinagar (Gujarat)

WEBSITE

www.torrentpharma.com

REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited
Unit: Torrent Pharmaceuticals Limited
Plot No. 17 to 24,
Vittalrao Nagar, Madhapur,
Hyderabad – 500 081
Phone: + 91 40 44655000
Fax: + 91 40 23420814
Email Id: einward.ris@karvy.com

INVESTOR SERVICES EMAIL ID

investorservices@torrentpharma.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Wednesday, 30th 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 31st March, 2014 including the Audited Balance Sheet as at 31st 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 31st March, 2014 and to declare final dividend on equity shares for the said financial year.

The Board of Directors at its meeting held on 21st 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 31st March, 2014 and in its meeting held on 9th 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 21st 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 1st April, 2014 upto 31st 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 Haigreve 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 1st April, 2014 upto 31st 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 1st April, 2014 upto 31st 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 30th 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 30th 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 30th 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 1st 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 1st 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

By Order of the Board of Directors
For TORRENT PHARMACEUTICALS LIMITED

MAHESH AGRAWAL
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

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 21st 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 18th June, 2014 to 20th 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 4th 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 20th 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 41st AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2014 is uploaded on the Company's website 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 41st 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. 17th 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 1st 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 21st 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 Haigreva 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 9th 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 1st April, 2014 till 31st March, 2019.

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1st 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 9th 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 30th July, 2014 till 29th July, 2019.

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1st 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 9th 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 30th July, 2014 till 29th July, 2019.

The Companies Act, 2013 and the rules made thereunder (“the Act”), which became effective from 1st 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 9th 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 30th 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 30th 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 1st 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 27th June, 2000 and his existing tenure will expire on 31st December, 2014 as per the shareholders resolution passed at the Annual General Meeting held on 23rd July, 2012. The Board of Directors of the Company at their meeting held on 9th 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 1st 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 1st 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

By Order of the Board of Directors
For TORRENT PHARMACEUTICALS LIMITED

MAHESH AGRAWAL
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

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 Haigreave 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 Haigreave 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:

Sr. No.	Directorship in Companies / Organisations (excluding alternate directorship)	Name of Committees
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 31st 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 31st 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 1st January, 2015 to 31st December, 2016. He does not hold any directorship in any other Company.

Dr. Chaitanya Dutt holds 800 shares of the Company.

DIRECTORS' REPORT

To
The Shareholders

The Directors have the pleasure of presenting the Forty First Annual Report of your Company together with the audited accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The summary of consolidated (Company and its subsidiaries) and standalone (Company) operating results for the year and appropriation of divisible profits is given below:

(₹ in crores except per share data)

	Consolidated		Standalone	
	2013-14	2012-13	2013-14	2012-13
Sales & Operating Income	4185	3212	3365	2766
Profit Before Depreciation, Finance Cost, Exceptional Items & Tax	990	736	1096	811
Less Depreciation	87	83	79	72
Less Finance Cost	59	34	58	37
Profit Before Exceptional Items & Tax	844	619	958	702
Less Exceptional Items	-	37	-	37
Less Tax Expense	180	147	196	119
Less Minority Interest	-	2	-	-
Net Profit for the Year	664	433	762	547
Balance brought forward	317	167	538	274
Distributable Profits	981	600	1300	821
Appropriated as under:				
Transfer to General Reserve	76	55	76	55
Interim Dividend	85	51	85	51
Proposed Final Dividend	85	144	85	144
Tax on Distributed Profits for Interim Dividend	14	8	14	8
Tax on Distributed Profits for Final Dividend	14	25	14	25
Balance Carried Forward	707	317	1026	538
Earnings Per Share (₹ per share)	39.23	25.58	45.05	32.29

Consolidated Operating Results

The consolidated sales and operating income increased to ₹ 4185 crores from ₹ 3212 crores in the previous year yielding a growth of 30.29%. The consolidated operating profit for the year was ₹ 990 crores as against ₹ 736 crores in the previous year registering an increase of 34.51%. The consolidated net profit increased to ₹ 664 crores from ₹ 433 crores in the previous year registering a growth of 53.35%. Adjusted for the exceptional item during the last year, consolidated net profit has grown by 41.28%.

Standalone Operating Results

The sales and operating income increased to ₹ 3365 crores from ₹ 2766 crores in the previous year yielding a growth of 21.66%. The operating profit for the year under review increased to ₹ 1096 crores as against ₹ 811 crores in the previous year registering a growth of 35.14%. The profits after tax for the year under review increased to ₹ 762 crores as against ₹ 547 crores in the previous year registering a growth of 39.31%. Adjusted for the exceptional item during the last year net profit has grown by 32.06%.

Merger and Acquisition:

1. During the year under review, the Company had entered into a definite binding Business Transfer Agreement with Elder Pharmaceuticals Limited (“Elder”), for acquisition of Identified Indian Branded Formulation Business (“Identified Business”) in India and Nepal on slump sale basis for a total consideration of ₹ 2004 crores on a debt free & cash free basis. Elder's identified Business comprises a portfolio of 30 brands including market leading brands in the Women's Healthcare, Pain Management, Wound Care and Nutraceuticals therapeutic segments. The final closing of the transaction is subject to satisfactory completion of all terms and conditions laid down in the Business Transfer Agreement. This acquisition shall strengthen the Company's position in said segments by enhancing & accelerating market access. It is also expected to enable cost & revenue synergies in the Company's domestic formulations business.
2. The Company has also acquired portfolios of marketing authorisations in UK (through Torrent Pharma (UK) Ltd) and in France. This will speed up the Company's efforts to strength its position in the respective markets.

Management Discussion and Analysis (MDA)

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

APPROPRIATIONS

Dividend

As a policy, the Company endeavours to distribute 30% of its annual consolidated net profit after tax as dividend in one or more tranches.

Normal annual dividend of ₹ 5.00 per equity share of fully paid up face value of ₹ 5.00 amounting to ₹ 84.61 crores was paid to the shareholders as interim dividend during the year under review. The tax on distributed profits was ₹ 14.38 crores making the aggregate distribution to ₹ 98.99 crores. Further, the Board has recommended a special dividend as final dividend of ₹ 5.00 per equity share amounting to ₹ 84.61 crores. Total distribution including tax of ₹ 14.38 crores works out to be ₹ 98.99 crores towards such final dividend. Aggregate dividend for the year under review works out to be ₹ 10.00 (previous year ₹ 13.00) per equity share, post issue of bonus shares in the ratio of 1:1 on 25th July, 2013. In addition, ₹ 10.00 per share was also paid as special dividend in previous year for commemorating four decades of business operations of the Company, taking the total dividend for the year 2012-13 to ₹ 23.00 per share. The aggregate distribution amount including tax on distributed profit works out to be ₹ 197.98 crores (previous year ₹ 227.30 crores) post issue of bonus shares. These dividends are tax free in the hands of the shareholders.

Transfer to Reserves

The Board has recommended a transfer of ₹ 76.00 crores to the general reserve and an amount of ₹ 1026.00 crores is retained in the Statement of Profit and Loss of Standalone financials.

SHARE CAPITAL

During the year, pursuant to the approval of shareholders by passing requisite resolutions through postal ballot, the Authorised Capital of the Company was increased from ₹ 100 crores, divided into 15 crores Equity Shares of ₹ 5/- each and 25 lacs Preference Shares of ₹ 100/- each, to ₹ 125 crores, divided into 20 crores Equity Shares of ₹ 5/- each and 25 lacs Preference Shares of ₹ 100/- each, by creation of 5 crores Equity Shares of ₹ 5/- each ranking pari passu with the existing Equity Shares.

Shareholders have also approved, by passing requisite resolution through postal ballot, issue of Bonus Shares in the proportion of 1:1 i.e. 1 (one) new fully paid-up Equity Share of ₹ 5.00 each for every 1 (one) fully paid-up Equity Share of ₹ 5.00 each.

Pursuant to above, 8,46,11,360 Bonus Equity Shares of ₹ 5.00 each fully paid-up were issued and allotted to the eligible shareholders by way of capitalization of ₹ 38.46 crores from the securities premium account and ₹ 3.85 crores from capital redemption reserve. Post bonus issue, the issued and paid up capital of the Company was increased from ₹ 42.31 crores to ₹ 84.61 crores. The Net worth (stand alone) stands at ₹ 2289.81 crores as at 31st March, 2014 resulting an increase of ₹ 638.72 crores, on account of retained earnings.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, in relation to financial statements of the Company for the year ended 31st March, 2014, the Board of Directors state that:

- i the applicable Accounting Standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- ii reasonable and prudent accounting policies have been used in preparation of the financial statements and that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit for the year ended on that date;
- iii proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the financial statements have been prepared on a going concern basis.

SUBSIDIARIES

Brief review of the important subsidiaries is given below:

Torrent Pharma Inc., USA (Torrent USA)

During the year, Torrent USA earned revenues of USD 124.25 million (₹ 756.92 crores), as compared with USD 57.90 million (₹ 315.12 crores) in previous year registering a growth of 140.20% in Rupees. Net profit for the year was at USD 2.32 million (₹ 39.10 crores) as against a net profit of USD 1.05 million (₹ 7.95 crores) for the previous year. The Company received 5 ANDA approvals in 2013-14. Company plans to launch 8-12 products every year. The Company has 48 ANDA's approvals (including 5 tentative approvals), 22 pending approvals and 47 filings under development. Steady flow of product approvals from this pipeline is expected to sustain growth momentum.

Torrent do Brasil Ltda., Brazil (Torrent Brazil)

During the year, Torrent Brazil achieved revenues of Reais 195.01 million (₹ 524.18 crores), as compared with Reais 180.29 million (₹ 488.58 crores) in the previous year, registering a growth of 7.29% in Rupees. Torrent Brazil has incurred a net loss after tax of Reais 15.67 million (₹ 41.50 crores), as compared to a net loss after tax of 2.47 million (₹ 9.23 crores) in the previous year. The losses during the year are largely attributable to the provisions made with respect to certain labour law related litigations.

Heumann Pharma GmbH & Co Generica KG, Heunet Pharma GmbH and Norispharm GmbH at Germany (Torrent Germany)

Torrent Germany posted revenues of Euro 71.32 million (₹ 580.49 crores) for the financial year 2013-14 as compared with Euro 55.96 million (₹ 392.28 crores) for the previous year, registering a growth of 47.98% in Rupees. Net loss for the year was Euro 8.79 million (₹ 40.89 crores) as against a net loss of Euro 0.97 million (profit of ₹ 2.93 crores in Rupee) for the previous year. The increase in loss was due to legal claims and damages.

Laboratorios Torrent S.A. de C.V. (Torrent Mexico)

During the year, Torrent Mexico earned revenues of Mexican Peso 86.63 million (₹ 40.51 crores) as compared with Mexican Peso 78 million (₹ 32.51 crores) for the previous year registering a growth of 24.61% in Rupees. Net profit for the year was at Mexican Peso 7.63 million (₹ 3.75 crores) as against a loss of Mexican Peso 2.71 million (₹ 1.09 crores) for the previous year.

HUMAN RESOURCES

Committed and motivated employees are one of the most important assets for the Company. The Company is committed towards excellence in action through development and administration of opportunities for its employees that helps attract, retain and develop a diverse workforce.

Performance management area was also given prime attention. Contribution of each individual employee in the organization's growth was evaluated and their efforts were rewarded. The Company is committed to creating a healthy, conducive and safe working environment. During the year, there were significant areas of achievement around processes and policy development. Continuous efforts were taken to implement Gender Diversity initiatives, undertaken by the Company, in various areas to ensure enhanced representation of women employees. On the industrial front, the Company continued to strengthen cordial industrial relations during the year.

The Company has taken special initiatives to communicate more with its employees and to foster unity on occasions like Independence Day, Republic Day and Founder's Day.

The Company has a diverse workforce of 8,628 employees as on 31st March, 2014 vis-a-vis 8,719 as on 31st March 2013.

CORPORATE SOCIAL RESPONSIBILITY

Concern for Society and Environment is a deeply rooted core value of the Company. As a part of its CSR, the Company makes concentrated efforts in the fields of Community Healthcare, Sanitation and Hygiene, Education and Knowledge Enhancement and Social Care and Concern. During the year, the Company was involved in following CSR activities taken up on its own or along with other Torrent group companies:

On its own

- Initiated Sanitation Health Education at "Sharda Mandir" Primary school at Indrad village which focused on importance of personal hygiene. Besides this, art and craft activities were also promoted.
- Conducted various personality development programmes among the students at Middle School at Bhud, Baddi Plant through employee volunteers.

At Group level

- Shiksha Setu: Teaching Learning Enhancement Programme in its third year included more than 4800 students and 250 teachers as beneficiaries. Outcomes included increase in participation of parents in parents-teachers meetings especially in rural areas, 55% cumulative learning level improvement over baseline year, enhanced learning interest in ICT based adaptive tool and improvement in attendance. 523 employee volunteers contributed towards implementation of the project activities effectively during the year.
- Construction work is in progress for new building for high school comprising 24 class rooms, science & computer lab, library, administrative block, assembly & dining hall, kitchen area, sports complex, etc. for accommodating 1500 students of class 9 - 12 at Chhapi village in Gujarat.
- Reconstruction activities at Memadpur school were completed during the year, which included renovation of existing school building and construction of new facilities including assembly hall and utility facility.
- A survey of 1769 households was conducted by 154 employee volunteers to understand women health issues and child health aspects, in order to conceptualize and design a community health care programme in the vicinity of Sabarmati area in Ahmedabad.

Besides the above, the Company has also made donations to various organizations involved in education, healthcare, providing relief to disaster victims and promotion of social welfare, harmony & nationalism.

In line with the provisions of the Companies Act, 2013 and rules made thereunder ("the Act"), a Corporate Social Responsibility (CSR) Committee has been formed by the Board of Directors through circular resolution dated 3rd May, 2014. Shri Pradeep Bhargava, Shri Markand Bhatt and Dr. Chaitanya Dutt are the members of the CSR Committee. The Board of Directors at their meeting held on 9th May, 2014 approved a CSR policy as recommended by the CSR Committee which include, inter alia, the CSR activities falling under the purview of Schedule VII of the Act.

ENVIRONMENT, HEALTH & SAFETY

The 'Conviction for Safety Policy' implemented during 2012-13 has been very successful in creating awareness about the safety at work place and compliances of safety norms. Also the personnel affected adversely were paid substantially higher compensation under this Policy.

The Company has continued with OHSAS 18001 and ISO 14001 for occupational health, safety & environment management system & ISO 9001 for quality management.

INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. After taking into account all the relevant factors, including the risk benefit trade-off, the Company has consciously decided not to take insurance cover for loss of profit under the Consequential Loss (Fire) Policy. The Company also has appropriate liability insurance covers particularly for product liability and clinical trials. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

DIRECTORS / KEY MANAGERIAL PERSONNEL

During the year under review, Dr. Prasanna Chandra and Shri Sanjay Lalbhai retired from the Board with effect from 26th July, 2013 (i.e. date of last Annual General Meeting). Dr. Leena Srivastava resigned as a member on the Board of Directors with effect from 26th April, 2014.

The Board at its meeting held on 9th May, 2014, subject to approval of the shareholders, appointed Shri Pradeep Bhargava (holding DIN 00525234), Shri Shailesh Haribhakti (holding DIN 00007347) and Shri Haigreve Khaitan (holding DIN 00005290), existing Independent Directors, as Independent Directors on the Board of Directors of the Company, for a period of five consecutive years from 1st April, 2014 upto 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ("the Act") read with Schedule IV of the Act.

The Board has also recommended to shareholders the appointment of Shri Ashish Nanda and Smt. Bhavna Doshi as Independent Directors on the Board of the Company for a period of five years effective from the date of ensuing Annual General Meeting.

Brief resume, area of expertise and other details of terms of appointment of these Directors forms integral part of the Notice of the Annual General Meeting.

All the Independent Non-Executive Directors of the Company have furnished declarations that they qualify the conditions of being Independent as per Section 149(6) & (7) of the Companies Act, 2013.

Shri Sudhir Mehta, at the meeting of the Board of Directors held on 9th 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, so that his counsel and advise emanating from his vast experience would continue to be available to the Board and the Company.

The Board has further at their aforesaid meeting, subject to the approval of the shareholders, appointed Shri Samir Mehta, Executive Vice Chairman, as Executive Chairman of the Company.

The above arrangements would be effective from the conclusion of the Annual General Meeting of the Company scheduled on 30th July 2014.

This step of Shri Sudhir Mehta assuming the role of Chairman Emeritus, while continuing to be permanent member on the Board 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.

Pursuant to the provisions of Sections 203, 178 and other applicable provisions of the Companies Act, 2013 and Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board at its aforesaid meeting also appointed Shri Samir Mehta, Executive Vice Chairman, Shri Ashok Modi, Executive Director and Chief Financial Officer (CFO) & Shri Mahesh Agrawal, Vice President (Legal) and Company Secretary, as Whole-time Key Managerial Personnel of the Company.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a separate Report on Corporate Governance forms part of the Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms part of this report as Annex 3.

AUDITORS

• Statutory Auditors

The term of appointment of Deloitte Haskins & Sells, Ahmedabad (Firm Registration No. 117365W), Statutory Auditors of the Company will expire at the ensuing Annual General Meeting. The Company has received a certificate from them about their eligibility for appointment as Statutory Auditors in accordance with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 read with third proviso of Section 139(2) of the Companies Act, 2013. The Board has recommended to the shareholders their appointment for the year 2014-15 at the ensuing Annual General Meeting.

• Cost Auditors

The Company has appointed Kirit Mehta & Co., Cost Accountants, Mumbai (Firm Registration No. 000353) as the Cost Auditor of the Company for audit of cost accounting records of its activities (Formulation & Bulk Drugs activities) for the financial year ended 31st March, 2014. Further, due date of filing the Cost Audit Report to the Central Government for the financial year ended 31st March, 2013 was 27th September, 2013 and the same was filed on 11th September, 2013. The Board of Directors has, on recommendation of the Audit Committee, at its meeting held on 21st January, 2014 appointed Kirit Mehta & Co. as the Cost Auditor of the Company for audit of cost accounting records of its activities (Formulation & Bulk Drugs activities) for the financial year 2014-15 and has also fixed the remuneration for audit of cost accounting records for the said financial year. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, it is proposed by the Board to recommend the remuneration approved in its meeting, for ratification by the shareholders in the ensuing Annual General Meeting of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

A statement containing the necessary information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report as Annex 1.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975 as amended, forms part of this report as Annex 2. Having regards to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Annual Report is being sent to all shareholders excluding the said Annexure. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary at the registered office of the Company.

APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors appreciate the trust reposed by the medical fraternity and patients in the Company and look forward to their continued patronage. The Directors are also grateful and pleased to place on record their appreciation for the excellent support, guidance and cooperation extended by the Government of India, Government of Gujarat, Government of Himachal Pradesh, Government of Sikkim, Central and State Government Bodies and Authorities, Financial Institutions and Banks. The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the Company.

For and on behalf of the Board

Ahmedabad
9th May, 2014

Sudhir Mehta
Chairman

ANNEX 1 TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

(a) Major energy conservation measures taken during the year:

1. Power factor maintained nearer to Unity at Indrad Plant and received annual rebate of ₹ 45 Lacs from Uttar Gujarat Vij Company Limited.
2. Introduced atomized spray system in 3 numbers solar pond at Effluent Treatment Plant area. This has helped in increasing evaporation rate of water from 4 KL per day to 18 KL per day in each pond. This has helped in reduced operation of MEE resulting into saving of steam and cost saving of ₹ 12 Lacs for the year.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

Solar hot water system feasibility is being explored and for implementation as Green Initiative.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have helped the Company in effective and economic consumption of electricity, fuel and reduced the energy expenses. The specific benefits have been mentioned in the respective heads under (a) and (b) above.

(d) Particulars with respect to the conservation of energy are given below:

I. Power and Fuel Consumption:

1	Electricity	2013-14	2012-13*	
1	A	Purchased Units (KWH in lacs)	630.33	528.46
		Total Amount (₹ in crores)	34.10	32.90
		Average Rate (₹ / KWH)	5.41	6.23
	B	Own generation through DG sets (KWH in lac Units)	31.21	17.83
		Units generated per liter of diesel	3.47	3.62
		Cost of fuel per Unit (₹ / KWH)	16.76	11.91
	C	Own generation through CPP (KWH in lac Units)	-	1.02
		Natural Gas consumed (in lacs SCM)	-	0.27
		Units generated per SCM of Gas	-	3.71
	Cost of gas per Unit (₹ / KWH)	-	9.05	
2	Fuel Consumption / Steam Generation			
2	A	HSD (in lac liters)	5.70	12.34
		Total amount (₹ in crores)	3.33	5.20
		Average Rate (₹ / liter)	58.48	42.19
	B	Furnace Oil (in lac liters)	16.84	5.18
		Total Amount (₹ in crores)	8.47	2.57
		Average Rate (₹ / liter)	50.27	49.55
	C	Purchased Gas (in lacs SCM)	36.25	32.64
		Total Amount (₹ in crores)	14.31	10.24
		Average Rate (₹ / SCM)	39.49	31.36

* In respect of manufacturing facilities at Gangtok (Sikkim), the details are with effect from 1st October, 2012.

II. Consumption per unit of production:

The Company manufactures several drug formulations in different pack sizes and bulk drugs. It is, therefore, impractical to apportion the consumption and cost of utilities to each formulation and bulk drug.

B. TECHNOLOGY ABSORPTION

Particulars with respect to technology absorption are given below:

Research and Development (R & D)

1. Specific areas in which R&D is carried out by the Company

The Company's R&D Centre is engaged in the discovery of New Chemical Entities (NCEs) and development of new processes and suitable formulations for known Active Pharmaceutical Ingredients (APIs) and value-added & differentiated formulations by leveraging our proprietary technologies for which various patents have been filed.

2. Benefits derived as a result of the above R & D

- At the end of the year under review, 70 ANDAs and 25 DMFs filed in US and 53 new product Dossiers & 24 DMF submitted in the EU.
- 818 patents filed for NDDS technology, drug discovery projects and innovative process of API & formulations for various geographies and 315 have been granted so far.
- New Discovery programmes in COPD & IBD has been initiated.

3. Future plan of action

- Efforts would continue for development of new, value added and differentiated formulations and new cost effective, eco-friendly & safe processes for APIs for CVS & CNS therapeutics. To bridge the gap in current therapy, NDDS projects like long acting injectable, nasal sprays & oral films have been initiated to improve therapeutic outcome.
- The Company also has envisioned to invest in the areas like Oncology and Dermatology.

4. Expenditure on R & D

Particulars	2013-14 (₹ in crores)
a. Capital expenses	6.48
b. Revenue expenses	130.98
Total (a+b)	137.46
c. Total R&D expenditure as a percentage of turnover	4.26%

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Process Analytical Tools like droplet size measurements has been adopted for characterizing spray pattern in Fluid bed coating, Pan coating as well as Quality check for actuators used in Nasal sprays.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The implementation of Process Analysis Techniques (PAT) tools has helped us to build a robust process and to reduce the number of trials and the time taken to complete the development process. Also the data generated is scalable up to commercial level.

3. Information in case of imported technology (imported during the last five years reckoned from the beginning of the financial year)

Technology Imported	Year of Import	Whether fully absorbed
Online Particle Size measurement in Fluid bed Process Online particle size analyzer help in monitoring granule growth in real time and the end-point can be set based on certain size distribution criteria. This will enable to design robust processes.	2013-14	Yes
Droplet size measurement for pan coating or Fluid bed coating Droplet size measurements has been adopted for characterizing spray pattern in Fluid bed coating, Pan coating as well as Quality check for actuators used in Nasal sprays.	2013-14	Yes
Online NIR analyzer for blending end point determination NIR analyzer for blending end point determination is used as an on-line, real-time, blend monitoring for confirmation of blend uniformity.	2013-14	Yes
Actuator for Nasal spray It is being used to determine Spray content uniformity (SCU), tail off study and pump delivery of Nasal Spray.	2013-14	Yes
Colorimeter with computer This instrument is used to control the colour, shade variation of powders, tablets, capsules, suspensions, solid materials, solutions, injections & printing colour variation of packaging materials of products.	2013-14	Yes
Quadro co mill flame proof High throughput equipment for size reduction of wet and dry granules.	2013-14	Yes
Hot Stage Microscope To study material behaviour at elevated temperature and admixtures of drug polymer blends.	2013-14	Yes
Gel Permeable Chromatography (GPC) Advanced equipment to characterize critical excipients like rate controlling polymers in Drug Delivery system.	2012-13	Yes
High Pressure Homogenizer Size reduction equipment which enables to produce nanoparticles at R&D using cavitation & high pressure. The common applications of this homogenizer are particle size reduction for preparation of micro and nanosuspension, fine emulsions preparation, cell disruption, dispersions, nanoparticles, liposomes, grinding and micro-encapsulating along with general blending and mixing.	2012-13	Yes
FT4 – Powder Rheometer Equipment to study the powder rheology at R&D as well as manufacturing to build robust processes.	2011-12	Yes
DOE Software Multi stage risk models can be used to rationally determine the number of experiments needed for formulation and process development and defining the design space.	2011-12	Yes

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company used foreign exchange amounting to ₹ 339.05 crores and earned foreign exchange amounting to ₹ 1686.24 crores during the year ended 31st March, 2014 as compared to ₹ 308.81 crores and ₹ 1322.82 crores respectively for previous year.

ANNEX 3 TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **TORRENT PHARMACEUTICALS LIMITED**, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Managements, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
9th May, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

To
The Shareholders

CAVEAT

Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

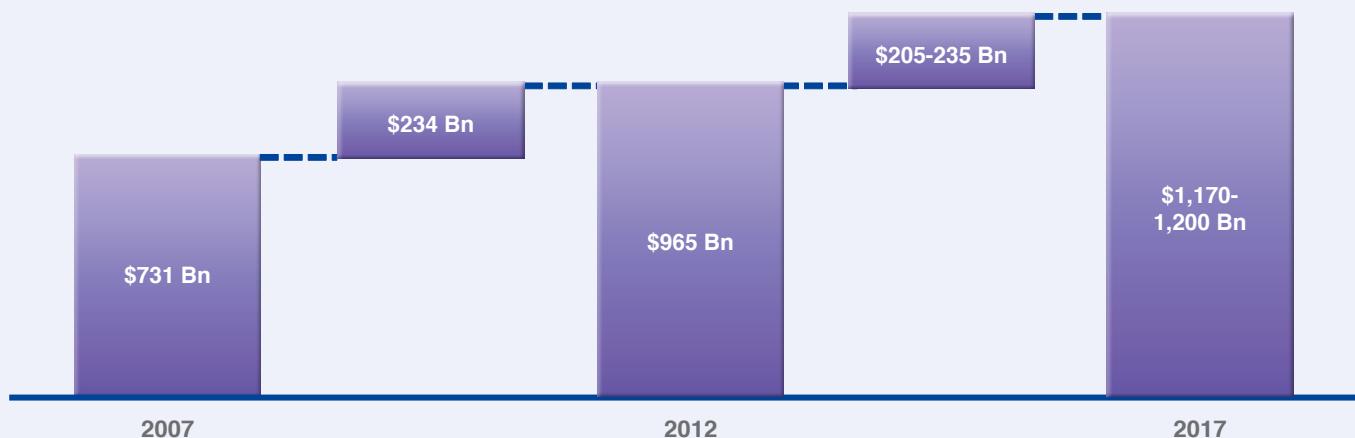
NOTE

Except stated otherwise, all figures, percentages, analysis, views and opinions are on consolidated financial statements of Torrent Pharmaceuticals Ltd. and its wholly owned subsidiaries and their businesses (jointly referred as Torrent or Company, hereinafter). Financial information presented in various sections of the Management Discussion and Analysis is classified under suitable heads which may be different from the classification reported under the Consolidated Financial Statements. Some additional financial information is also included in this section which may not be readily available from the Consolidated Financial Statements. Previous year's figures have been regrouped to make it comparable with the current year.

GLOBAL PHARMACEUTICALS MARKET

In the year 2013, Global Pharma Market is estimated to have crossed USD 1 trillion. The key growth drivers continue to be shift towards the use of generic medicines accompanied by patent expiries in the US and volume driven growth in Pharmerging markets. The Global Pharma Market is expected to reach around USD 1.2 trillion by 2017 increasing about USD 205-235 Bn between the years 2012-17 compared to USD 234 Bn over last five years which shows that the absolute spending is expected to be same over next five years as it was in previous five years.

Global Spending and Growth, 2007-2017



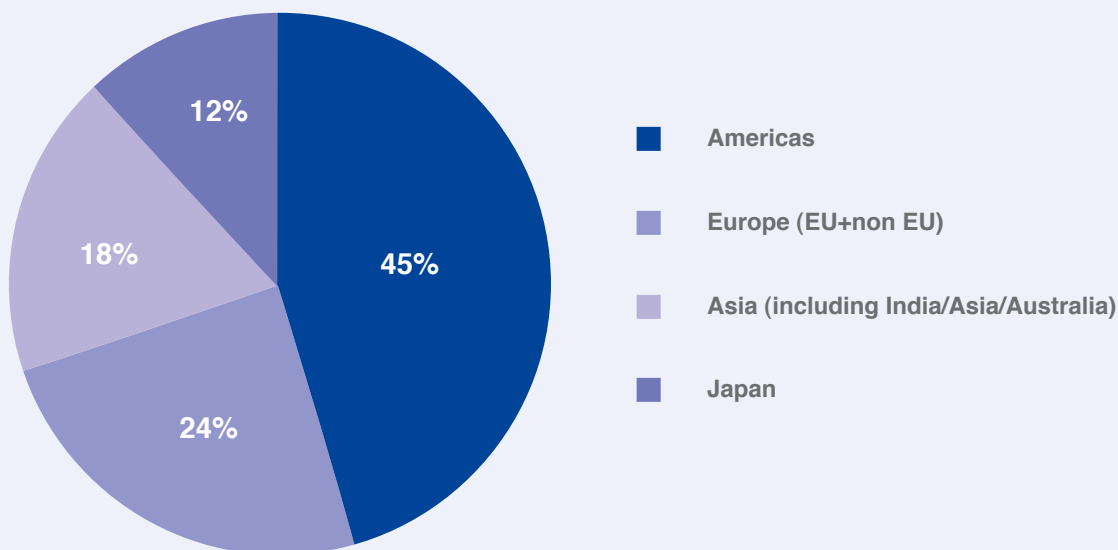
The next five years, however, also sees a continuing growth split between developed markets and Pharmerging markets¹. The developed market will see very modest single digit growth, due to combination of economic reasons, healthcare measures and savings realized from growing availability of lower cost generic versions of brands following the patent expiry. In contrast, the leading Pharmerging markets show much higher double digit growth rates due to combination of economic growth, demographic and epidemiologic changes and improved state and private insurance funding for healthcare and medicines. Already, five² of the world's largest markets by sales value are Pharmerging markets; IMS expects almost two thirds of the entire global pharmaceutical market's value growth will be from Pharmerging markets, which will account for over one third of all global sales, by value, in 2017.

Although the center of gravity for global growth tips decisively in the direction of Pharmerging markets, they are low contributors to new launches. It is estimated that around 80% of the NCE (New Chemical Entities) are coming from major developed markets. In Pharmerging markets, complex and difficult approval process, pricing and market access hurdles, price adjustment to the more modest spending power of the patients are mainly the reasons for low level of NCE launches. The value growth of Pharmerging markets are primarily driven by low unit cost generics and therefore innovative agents do less well. The leading 20 branded products in these Pharmerging markets are all, without exception, over 10 years old.

Population growth and government initiatives in emerging markets are expected to drive sector expansion for the next several years. India, China, Indonesia, Mexico and Russia are pegged as main growth engines; companies are likely to continue expanding their presence in these and other emerging markets. Another demographic trend creating increased health care demand is the spread of chronic diseases like heart disease, stroke, cancer, respiratory diseases, diabetes, and mental illness, among others which is attributable to the aging population, more sedentary lifestyles, diet changes, and rising obesity levels, as well as improved diagnostics. The cost of treatment for these diseases may be out of reach for many consumers, especially in emerging markets which are expected to compel a more intense focus on disease education and prevention by governments while companies continue to develop innovative new medicines to address many of these diseases.

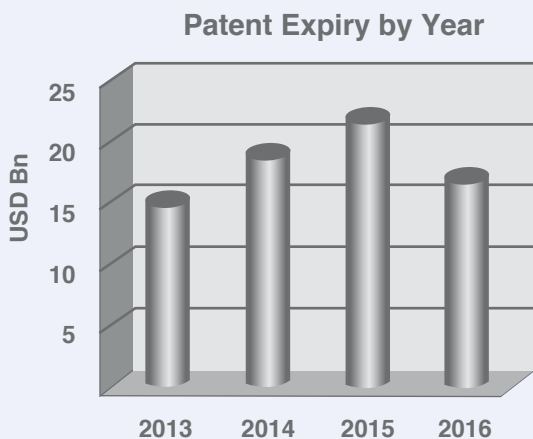
The Global Spending on healthcare was 10.5% of the GDP in 2013 which is expected to be at the same level in 2014 also. Most of the countries are facing the challenge of reducing the increasing cost of healthcare, although the spending rose by 3% in 2013 and it is expected to grow at a CAGR of around 5% upto 2017.

Global Spend Breakup - 2013



¹Pharmerging Markets: Tier 1: China; Tier 2: Brazil, India, Russia; Tier 3: Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria.

²Large Pharmerging Market by Sales: China, Brazil, Russia, India & Mexico



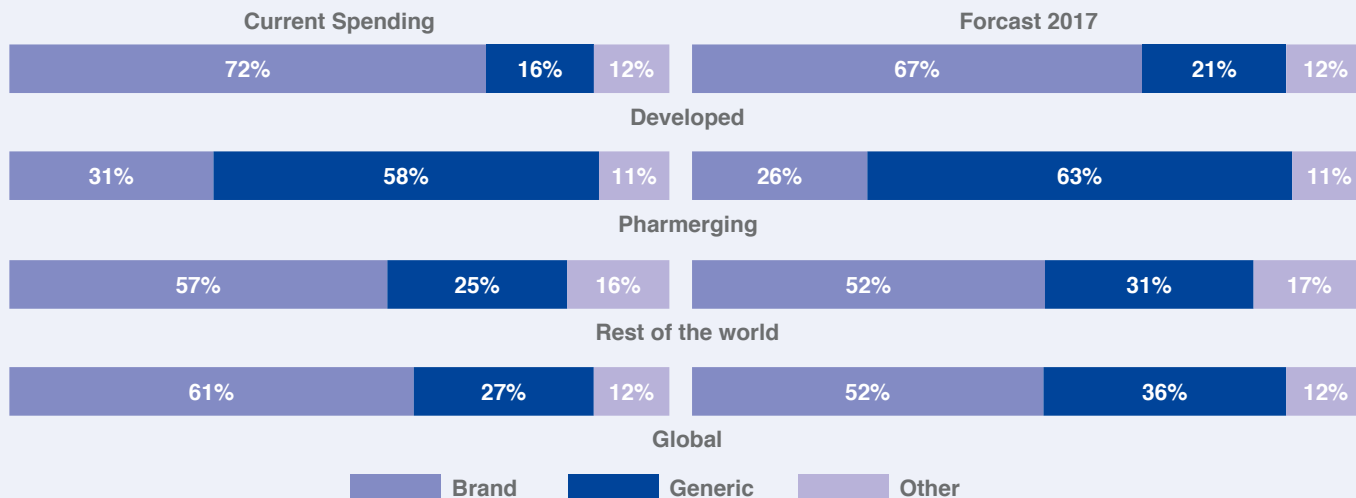
2012 was the transition year for Generics as drugs having sales value of USD 44 Bn, have lost their patent protection during that year. Although generic focused companies will continue to benefit from patent expirations in 2014 & 2015, these will not be to the same extent as in 2012, when a slew of blockbuster drugs came off patent. During the next 3-4 years drugs having value of around USD 75-80 Bn are going off patent which will be in the range of USD 15-25 Bn per year.

Improving access to health care and reducing spend on it is a major goal of governments around the world. Most national health care systems have been encouraging greater use of generic drugs; in the U.S. the proportion of generic prescriptions has risen from around half to 80% over the last decade. As cost-containment approach, Germany and several other countries have turned to value-based pricing for new drugs, which allows a price differential from existing offerings including generics based on a new product's demonstrated superiority. Finally, some countries are

increasingly mandating price control: India, Brazil and China, for example, have national lists of essential drugs with set prices.

Although the spending on the branded medicines will account for more than 2/3rd of spending in the developed market, the total global spending on generics will increase from 27% to 36% by 2017. However absolute spending on brands in developed markets will decline over the next five years due to losses of exclusivity, slower uptake of new medicines and more restrictive access approaches. The use of generics will be at its highest in Pharmerging markets where 63% of the spending will be on generic products.

Brand vs. Generic Spending Current & 2017



In addition, the increase in mergers and acquisitions (M&A), joint ventures (JVs) and other collaborative business models implies that companies with disparate systems will need to synergize their local operations with global requirements. The top reason for increased consolidation and partnering is that companies have a host of blockbusters going off patent at a time when the industry is facing fewer drug approvals. With slowing sales, most drug companies are looking for growth by buying the companies that have solid pipelines that will deliver growth.

The market research organization IMS Health categorizes Pharmerging markets into Tier 1 (China), Tier 2 (Brazil, India and Russia) and Tier 3 (around 17 countries). The Company has presence in all of the Tier 2 countries and around 8 countries in Tier 3. Positive developments in these markets, such as greater government investments in healthcare, increasing demand for drugs to treat diseases and strengthening of regulatory and IP requirements, enable global players to launch their products in Pharmerging markets.

INDIAN PHARMACEUTICALS MARKET

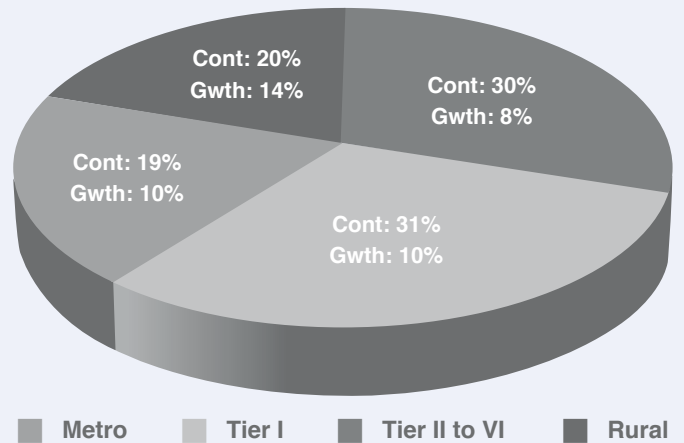
The Indian pharmaceutical market (IPM) is valued at INR 75,000 crores approximately as at March 2014. The year has seen deceleration of industry growth rate from 12% in 2013 to 6% in 2014. This has primarily been due to implementation of new DPCO 2013 coupled with the ensuing stalemate of stocks stuck at various levels in the distribution chain during the year. The products which were brought under price control showed degrowth compared to products which were not under price control.

Despite this, Indian pharma market remains one of the fastest growing pharma markets in the world and is dominated majorly by branded generics constituting nearly 70% to 80% of market. The market is estimated to be among the top 10 by 2015 (Source: IMS).

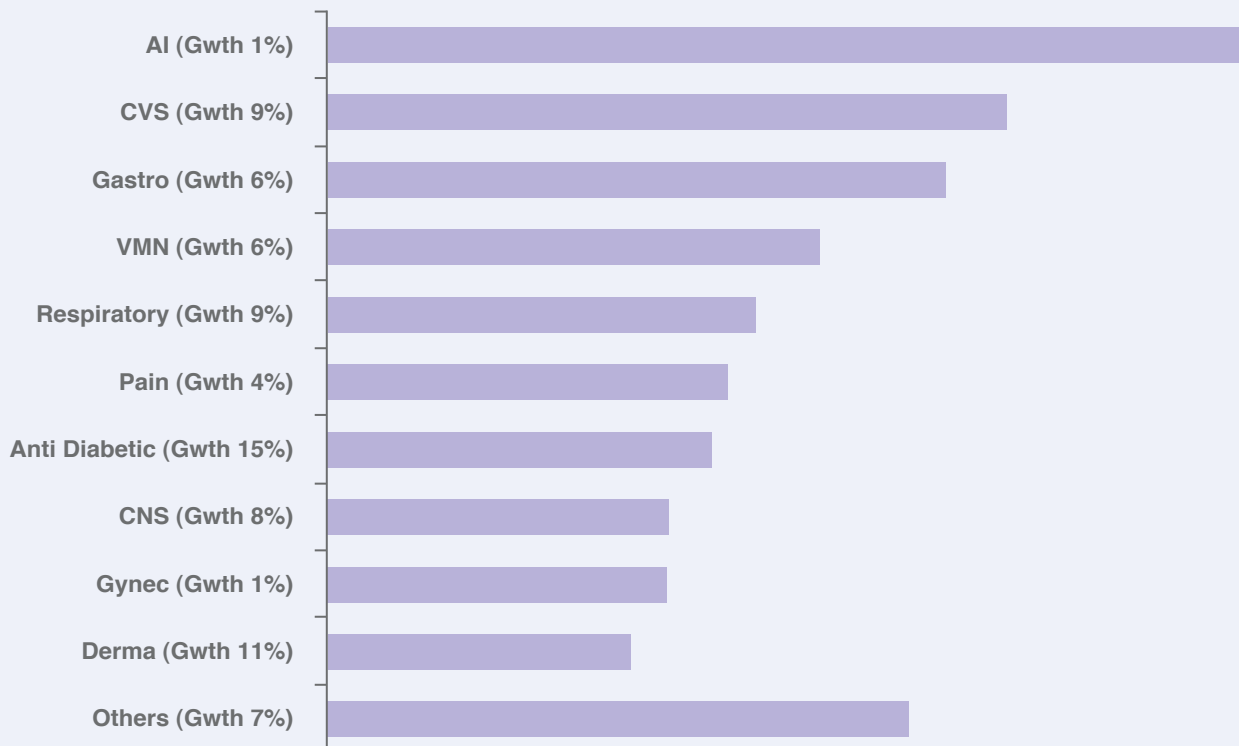
The Indian pharmaceuticals market is witnessing dynamic changing trends such as large acquisitions by multinational and Indian companies, increasing investment by domestic and international players and deeper penetration into rural and Tier II markets. These trends combined with increased purchasing power and access to good quality medical care will continue to propel the domestic pharmaceutical industry to new heights.

Urban regions (metros and tier I cities) contribute majority of total sales but rural and tier II cities are showing higher growths mainly driven by increased access to healthcare, improved infrastructure and greater penetration of pharmaceutical companies into tier II cities and rural areas.

IPM: Region wise Breakup



IPM: Therapy wise Breakup



One of the major reasons for the growth is increase in the incidence of the chronic disease and its early detection. While the acute segment dominates market share in the IPM, the contribution of chronic therapies to the IPM has been increasing consistently. Chronic therapies have outperformed the market in terms of growth for the past few years and are growing faster than the acute therapies. The mix of therapies will continue to gradually move in favour of specialty and super-specialty therapies.

Increasing urbanization, lifestyle changes & work stress are responsible for the higher incidences of chronic diseases. Indian market is witnessing gradual transition from acute diseases to lifestyle diseases and chronic therapies like Cardiology, Neuropsychiatry, Oncology and Diabetes. With current demographic profile and growth prospects of the economy, Indian Pharmaceutical market could see continuing trend of transition towards chronic and super specialty therapies, with acute therapies retaining their market size. The cardiac, CNS, Anti-diabetic, dermatology markets have been growing much higher than the Indian pharma market among the major therapies in the past 1 year.

Among the top therapies in the IPM the Company has the presence in all the major therapies. Torrent has entered into a business transfer agreement with Elder Pharmaceuticals Limited for transfer of identified business. This will strengthen Company's position in the Women Healthcare, Pain management & Vitamins/Nutrition segments by enhancing & accelerating market access.

The growth drivers for the companies' will be aligning their portfolios to bring focus on therapeutic class synergies, adding innovative-better margin products and brand building. Companies also have to focus on increasing the productivity of their field forces which will help in improving the overall efficiency of the business. The partnerships & Alliances between the multinational and Indian companies have also been increased with an aim of expanding the reach to the new customers and geographical areas. These were seen in the form of co-marketing, co-promotion, licensing and joint ventures.

PERFORMANCE SNAPSHOT

Torrent has become one of the front runners in the Indian Pharmaceuticals Industry having presence in Domestic as well as International Markets. The Company's revenues are mainly from manufacture and sale of branded as well as unbranded generic pharmaceutical products. A further break down of the revenues can be done as India formulations (comprising branded pharmaceutical formulations sold in Indian market), International formulations (comprising sales outside India of branded and unbranded generic pharmaceutical formulations) and Contract manufacturing. International operations majorly include USA, Brazil, Europe and Rest of the world comprising inter alia, less regulated markets of Africa, Asia Pacific and Russia & CIS.

During the financial year 2013-14, the Company reported revenues of ₹ 4184 crores, a growth of 30% compared with ₹ 3212 crores in the previous financial year.

The breakup of Revenues under key segments is under:

Segment Revenue (₹ Crore)	2013-14		2012-13		Growth %
	Amount	Share	Amount	Share	
India formulations (net of excise duty)	1162	28%	1024	32%	13%
International Operations	2635	63%	1835	57%	44%
Contract Manufacturing	323	8%	300	9%	8%
Others	64	1%	53	2%	21%
Total	4184	100%	3212	100%	30%

INDIA FORMULATION BUSINESS:

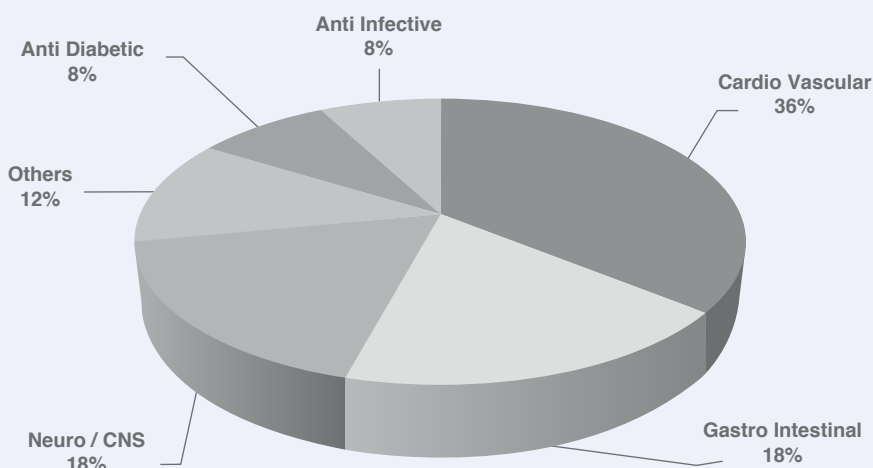
The India formulations segment registered growth of 13% over the previous year on the back of improved performance of Cardiology, Diabetology, CNS and Gastroenterology portfolio.

During the year the Company continued efforts and strategic initiatives towards improving its market share through focus on brand building, productivity improvement, identifying opportunities in existing therapies and new therapies. During the year Company has signed a business transfer agreement with Elder Pharmaceutical Limited which gives access to Vitamins market which is the fourth largest market in the IPM.

Torrent is one of the leading players in India Pharmaceuticals Industry maintaining leadership position in key chronic therapies of Cardiovascular and Neuro-Psychiatry. The Company is ranked No. 4 in cardiovascular segment and in Neuro-Psychiatry therapies. The Company is ranked 20th by turnover in the domestic market and has 4 brands in top 300 brands and 39 brands in leadership position in their respective molecule segments (Source: AIOCD).

Our strategic priorities remain i.e. to focus on driving productivity through brand building in major therapies, expanding the portfolio in newly entered segments & accelerating performance in the acute segment.

Therapeutic Area Wise Sales



Growth was primarily driven by Cardiology, Diabetology, CNS in Chronic and Gastroenterology in acute segments. Recently launched Greenfield projects in Derma, Oncology, Gynecology and Pain segments are also making good inroads and gaining market share.

INTERNATIONAL FORMULATION BUSINESS:

International generic opportunity continues to be a growth engine for the Company. The Company is well positioned to capitalize on these growth opportunities with strong development pipeline, low R&D and manufacturing cost and good market reach and marketing capabilities built over a period of time. Blockbuster drugs going off patent continue to offer significant opportunity.

The Company has witnessed 5 year CAGR of over 26% in the revenues from International operations which now accounts for more than 63% of the total revenues.

1. US

The U.S. pharmaceutical market remains the world’s largest market. It is valued around USD 350Bn and is expected to grow at the CAGR of 1-4% till 2017. With the largest generic substitution of almost 80% (in volume terms), it again becomes the single largest generic market. Expected patent expiry in the industry in next 4 years will be majorly driven by the US, in which drugs worth USD 50 Bn are expected to go off patent.

Affordable Care Act (ACA) implementation is causing rapid change in the U.S. health care market, both directly from the legislation and through market-based changes.

The industry landscape is changing due to increasing consolidation amongst generic purchasers from different classes of trade. This enhanced concentration of purchasing power requires generic manufacturers to maintain their cost competitiveness as well as evolve their product portfolios to less competitive therapeutic areas and dosage forms.

Revenues from US operations were ₹ 776 crores (USD 125 Mn) during the financial year 2013-14 as compared to ₹ 355 crores (USD 64 Mn) during the previous financial year showing a growth of 119%.

The Company received 5 ANDA approvals in 2013-14. The Company has 48 ANDA approvals (including 5 tentative approvals) and its pipeline consists of 22 pending approvals and 47 products under development. The US business is expected to contribute to the growth of international business in a significant way.

2. Brazil

Brazil is the largest pharmaceutical market in Latin America and the 6th largest in the world. The Pharma market in Brazil is estimated to be in range of USD 30-33 Bn which is expected to grow at a CAGR of 11-15% till 2017. The growth drivers are increasing household incomes. Pricing pressure, cost control, and product portfolio management are among the issues faced by the industry.

Pricing pressures are occurring due to presence of strong local generics industry (the largest in Latin America), which is supported by government policies aimed at extending the availability of medicines to low income consumers. These pressures are prompting companies to employ various strategies to identify the optimal price for their key products.

During the year Brazilian operations registered revenue of ₹ 534 crores (Reais 195 Mn) with the growth of 6% (Reais Growth 8%) over previous year.

Among the Indian Companies, in terms of market share, Torrent ranks No. 1. The Company has 25 products under approval out of which 3 products are expected to be approved during the coming year. The Company has a basket of 15 products with 4 products in the Cardio Vascular (CV) segment, 5 products in the Central Nervous System (CNS) segment and 3 products in the Oral Anti Diabetic/obesity (OAD) segment and 3 products in other segments. The Company has a strong pipeline (products under development + under approval) of 40 products in the above therapies to augment future growth.

In view of the high growth in the pure generic segment, the Company has been building its product portfolio in this segment, with parallel filings of the Company's products in the CV, CNS, OAD & Other therapies. The Company has approvals of 31 products whereas 25 products are under approval. The total pipeline for this business consists of 40 products.

3. Europe (including Germany)

The Company has presence in the following major markets of the Europe:

A. Germany

Germany is the fourth-largest pharmaceutical market in the world and the largest in Western Europe. It is valued around Euro 28 Bn and is expected to grow at a CAGR of 1-4% till 2017. Majority of the market is tender driven and it is expected to continue for foreseeable future which is putting the pressure on the margins of the industry.

Among the Generic players, Torrent holds the 5th position with a market share of 4.2% and is ranked No. 1 among Indian players in the Market. Torrent enjoys a high backward integration which puts it in a good position to succeed in this market. Revenues from Germany operations, during 2013 -14, were ₹ 573 crores (Euro 70 Mn) with a growth of 49%.

B. United Kingdom

The UK Pharma market is valued around USD 22 Bn which is expected to grow 1-4% annually. The market share of generic medicines is increasing from a half in 2002 to around 3/4th currently. Public expenditure on generic medicines now accounts for about one-quarter of the total public spending. Further growth in the generic market will be driven by new products as blockbuster patents expire and drug consumption increases.

The Company registered sales of ₹ 52 crores (GBP 5 Mn) during the current financial year as compared to ₹ 38 crores (GBP 4 Mn) showing a growth of 37%.

C. Other Markets

The Company recently entered in France one of the larger markets in Europe with the acquisition of marketing authorizations offering potential for future growth.

The Company is progressing well in Romania and it expects this to be one of its important markets in the coming years.

Dossier out licensing and product supply business continues to be an important part of the Europe business for the Company; it registered revenue growth of 28%, with revenues of ₹ 248 crores (Euro 29 Mn) during the financial year 2013-14 as compared with ₹ 194 crores (Euro 26 Mn) during the previous financial year.

4. Rest of the World (including Russia & CIS)

Rest of the World Segment consists of operations in Philippines, Africa, South East Asia, Sri Lanka and Russia & CIS. During the financial year this segment registered revenues of ₹ 343 crores as compared to ₹ 297 crores, during the previous year showing a growth of 15%.

The Company has identified Thailand as an important market for its operations in Asia Pacific. Thailand will be the eighth largest economy in the Asia Pacific region by 2016 with the real GDP growth projected to reach 7.1% by 2016. The Company has established a subsidiary and identified molecules in Cardiovascular, Neuro-Psychiatry and Anti-Diabetic segment for potential launch in the market.

The Company is in the process of conducting local bio-equivalence studies in Thailand as required by the Thai FDA for product registration. Post completion of the local Bio studies, the Company has been filing dossiers for building the Product Portfolio.

CONTRACT MANUFACTURING SEGMENT

This segment registered revenues of ₹ 323 crores during the year, a major portion of which is from manufacture of human insulin. The Company has been a stable partner for manufacture of human insulin for Novo Nordisk for their India market needs.

MANUFACTURING

The Company's state of art manufacturing facilities for formulation and API, have significantly contributed to the demand of high quality products and in sustaining its growth and success.

New capital investments:

In order to meet the increasing requirements of the international markets, the Company is setting up a new formulation and API manufacturing facility at Dahej SEZ in Gujarat. The plant is expected to commercialize during the next year.

During the current year the Company completed decongestion and modification of manufacturing facilities at Indrad and Baddi plants. The additional capacities due to this will be fully available from financial year 2014-15.

RESEARCH AND DEVELOPMENT

Discovery Research

The Company is currently working on several in-house New Chemical Entities (NCE) projects within the areas of metabolic, cardiovascular and respiratory disorders. The Company has cumulatively filed 467 patents for NCEs from these and earlier projects in all major markets of which, 224 patents have been granted /accepted so far.

The most advanced discovery program of the Company is Advanced Glycation End-Products (AGE) Breaker, of which the Phase II clinical trials for the indication of diabetes associated heart failure in India and Europe is completed. Currently the scientific and commercial aspects for further clinical development of the NCE are being evaluated.

During the financial year 2012-13, the Company had initiated Phase-II clinical trial in India with its second NCE for the reduction of cardio metabolic risks. Currently the recruitment is underway. We expect to complete the study by Q2 of 2015-16. The Company believes that this program is uniquely positioned to address the consequences of relative chronic over-nutrition which is assuming alarming proportions of health hazard in India, other emerging economies and also in the developed countries.

In the financial year 2013-14, the Company had completed the Phase-I (SAD) clinical trial of its third NCE for the indication of acute kidney injury and in the financial year 2014-15, the molecule will progress to multiple dose studies. Another study for a second indication of inflammatory bowel disease is also being initiated.

There have been several changes in the regulations with respect to conduct of Clinical Trials and the manner in which trial related Adverse Events will be dealt with. We are evaluating the risks posed by these changes and have implemented several mitigation strategies as well as SOPs to deal with the evolving regulations.

There has been a slowing down of the clinical trial evaluation and approval process by the Regulators. Product development has been affected as a consequence. While efforts are on at an industry level to get the process back on track the progress is slow and a little difficult to predict.

The Company has published eleven well received research papers in above mentioned therapeutic areas, in peer reviewed international journals describing various findings of our NCE research.

THREATS, RISKS AND CONCERNS

Drug Price Control:

At present 348 bulk drugs and 654 formulations are covered under National List of Essential Medicines (NLEM). It is likely that the government may bring more such drugs and formulations under price control or change the mechanism of calculating the ceiling price of the Drugs which are under the ambit of the revised policy, which in turn will affect the net margins of the Company. The Company manages its product portfolio so as to minimize the product weightage of drugs under price control.

New Product Approvals:

The success of any Company is dependent on the continuous launch of the new products in the market. In highly regulated business, the requirements to obtain regulatory approval based on a product's safety, efficacy and quality before it can be marketed for an indication in a particular country, as well as to maintain and comply with licenses and other regulations relating to its manufacture and marketing, are particularly important.

The submission of an application to regulatory authorities (which vary, with different requirements, in each region or country) may or may not lead to the grant of marketing approval. Regulators can refuse to grant approval or may require additional data before approval is given, even though the medicine may already be launched in other countries. In some instances, regulatory authorities require a Company to develop plans to ensure safe use of a marketed product before a product is approved, or after approval, if a new and significant safety issue is established.

The Industry is also subject to strict controls on the commercialization processes for products, including their development, manufacture, distribution and marketing.

The Company manages the risk through careful market research for selection of new products, detailed project planning and continuous monitoring.

Geographical expansion:

The development of the business in new markets is a critical factor in determining future ability to sustain or increase global product revenues. This poses various challenges including; more volatile economic conditions; competition from companies with existing market presence; the need to identify correctly and to leverage appropriate opportunities for sales and marketing; poor IP protection; the need to impose developed market compliance standards; inadvertent breaches of local and international law;

not being able to recruit appropriately skilled and experienced personnel; identification of the most effective sales channels and route to market; and interventions by national governments or regulators restricting access to market and/or introducing adverse price controls.

However the Company carefully studies the business scenarios of the new market, prepares the business plan and undertakes various researches to reduce the risk at the minimal level.

Overseas markets:

The Company has expanded operations into select overseas markets of Latin America and European Union. Such expansion involves substantial business set up expenses, product pipeline development expenses and a gestation time before revenues begin to accrue. The Company faces the risk arising out of a failed or delayed market entry which may significantly affect the future profitability and financial position.

In the US, there is a continuing trend towards consolidation of certain customers groups such as wholesale drug distribution and retail pharmacies, as well as emergence of large buying groups. The consolidation may result into these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures. Additionally the emergence of large buying groups representing independent retail pharmacies and prevalence and influence of managed care organizations and similar institutions potentially enable those groups to attempt to extract price discounts on our products. The result of such developments could affect the sales volumes and price realizations of our products on an overall basis.

In Brazil where the Company sells branded generics, the pure generic competition could adversely affect development of branded business. Price erosions continue in the German generic market leading to shrinking operating margins. The insurance companies have been empowered to enter into rebate contracts and float tenders. Aggressive bidding by competitors could lead to unsuccessful bids in tenders exposing the Company to loss of existing sales. Likewise in other European markets, regulatory changes could affect price realizations. The risks are sought to be mitigated through careful market analyses, improved management bandwidth, marketing alliances and corporate management oversight.

A significant portion of the revenue in various markets would be derived from sales to limited number of customers. In case of experiencing loss of business from one such customer or difficulties experienced by the customer in paying us on timely basis, it may impact the business performance.

Manufacturing & Supplying Risk:

Although a major portion of our finished formulations are being manufactured at in-house facilities, we also depend on third party suppliers for sourcing in some of the markets. Any significant disruption at any of such in-house facilities or third party manufacturing locations due to internal, third party lapses even on the short term basis due to economic, political & social unrest or by any event which is *Force Majeure*, which may lead to impair our ability to produce, procure and ship products to the market on a timely basis and could expose us to penalty & claims from customers.

We purchase active pharmaceutical ingredient (API) and other materials that we use in our manufacturing operations from other foreign and domestic suppliers. Although the Company has a policy to actively develop alternate supply sources for key products subject to economic justification, there would be certain cases where we have listed only one supplier in our application with regulatory agencies. An interruption in the supply from single sourced material can impact the financial performance of the Company. In addition, our manufacturing capabilities could be impacted by quality deficiencies in the products which our supplier provide leading to impact on our financial performance.

Product liability risks:

The business is exposed to potential claims for product liability. These risks are sought to be managed by appropriate laboratory and clinical studies for each new product, compliance with Good Manufacturing Practices and independent quality assurance system. The Company also has an insurance cover for product liability.

Discovery research:

The key risks are high rate of failure and long gestation period of a discovery project coupled with significant upfront costs to be incurred before results are known. The Company today may not have resources to carry through a discovery project to final commercial stage for global markets. These risks are sought to be mitigated by seeking suitable alliances with partners at appropriate stage to share the risks and rewards of the project while continuing to develop the NCE's for India.

Company undertakes clinical trials on an ongoing basis as part of its discovery research programme. Insurance is obtained to cover the risks associated with testing in human volunteers and the Company may be subject to claims that are not covered by the policy.

The bio equivalence (BE) facility is used for safety and efficacy studies for the generic products. The facility has been approved by the Indian, Brazilian and UAE authorities. The studies conducted at this facility have been approved by USFDA, European (Denmark, France and Austria) and Brazilian regulatory authorities.

New product risk:

New product development and launch involves substantial expenditure, which may not be recovered due to several factors including development uncertainties, increased competition, regulatory delays lower than anticipated price realizations, delay in market launch and marketing failure. The Company manages the risk through careful market research for selection of new products, detailed project planning and monitoring.

Litigation risks:

The Company faces the risk of high costs of litigation with the patent-holder in its business of international generic products. This risk is sought to be managed by a careful patent analysis prior to development & launch of the generic products and strategy of early settlement with the patent holders on case-to-case basis, particularly in the US market.

New capital investments:

The Company has commenced building a new formulation and API manufacturing facility at Dahej. The Company faces risks arising out of delay in implementation, cost overrun and inappropriate implementation. The capacities are built in anticipation of demand and the Company runs the risk of underutilization of capacities resulting in high manufacturing cost. The risks are sought to be mitigated by forming appropriate project management team and corporate management oversight.

Currency fluctuation risks:

Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earnings and net equity because of invoicing in foreign currencies, expenditures in foreign currencies, foreign currencies borrowing and translation of financial statements of overseas subsidiaries into Indian rupees. The Company has a defined foreign exchange risk management framework to manage these risks, excluding translation risks.

International Taxation:

We have potential tax exposure resulting from varying application of laws and interpretations which include intercompany transactions with our subsidiaries in relation to various aspects of our business. Although we believe our cross border transactions between affiliates are based on internationally accepted practices, tax authorities in various jurisdictions may have different views or interpretations and subsequently challenge the amount of profits taxed in their jurisdiction resulting into increase in tax liability, including interest and penalties causing the tax expenses to increase.

Future Acquisition proposals:

We continuously look for opportunities in order to expand our product line either through complimentary or strategic acquisitions of other companies, asset acquisition, licensing agreements or any other arrangement. Any such acquisitions, may involve significant challenges in terms of integration with existing operations which may lead to requiring considerable amount of time, resources and effort. This may lead to temporary disruption of ongoing business; affect relations with the employees, customers with whom we have been dealing.

Dependence on information technology:

We are highly dependent on information technology systems and related infrastructure. Any breakdown, destruction or interruptions of this system could impact the day to day operations. There is also a risk of theft of information, reputational damage resulting from infiltration of a data center, data leakage of confidential information either internally or otherwise. The Company has invested appropriately in the protection of data and information technology to reduce these risks.

HUMAN RESOURCES

The total employee strength of the Company at the end of financial year 2013-14 was 9540 against 9574 as at the end of financial year 2012-13, a decrease of 34 employees. The field force decreased by 264 from 4326 at the end of financial year 2012-13 to 4062 at the end of financial year 2013-14. The R&D center had 817 employees (of which 662 were scientists) at the end of financial year 2013-14 compared with 721 (of which 587 were scientists) as at the end of financial year 2012-13, an increase of 96 employees. The worker strength at plant was 1585 at the end of financial year 2013-14 compared with 1540 at the end of financial year 2012-13. The remaining employee strength comprising mainly of head office personnel, non-worker employees at Indrad, Baddi, Sikkim & Dahej Plant, branch & overseas offices employees increased to 3076 at the end of financial year 2013-14 from 2987 at the end of financial year 2012-13.

INTERNAL CONTROL SYSTEM

The Company has a reasonable system of internal control comprising authority levels and powers, supervision, checks and balances, policies and procedures. The system is reviewed and updated on an on-going basis. The Company continuously upgrades its internal control systems by measures such as strengthening of IT infrastructure and use of external management assurance services. The Company has in place a well-defined internal audit system whereby an internal audit is performed across locations of the Company and the results of the audit findings are reviewed by the Audit Committee.

RESULTS OF OPERATIONS FOR FINANCIAL YEAR 2013-14 COMPARED WITH FINANCIAL YEAR 2012-13

Summary Financial Information:

Particulars	2013-14		2012-13		% Increase / (Decrease)
	₹ Crores	% to Revenues	₹ Crores	% to Revenues	
Net Sales and Operating Income (Revenues)	4,184	100%	3,212	100%	30%
Gross Profit	2,941	70%	2,286	71%	29%
Selling, General and Admin expenses (SG&A)	1,768	42%	1,463	46%	21%
Research and development spend	138	3%	125	4%	10%
Forex Gain / (Loss)	(84)	(2%)	(5)	0%	
EBIDTA	951	23%	693	22%	38%
Depreciation/Amortization	87	2%	83	3%	5%
Net Interest expense/(Income)	21	1%	(9)	0%	
Profit before tax (PBT)	844	20%	619	19%	37%
Exceptional Items	-		(37)		
Profit before tax (PBT)	844	20%	582	18%	45%
Income Tax	180	4%	147	5%	22%
Profit after Tax (PAT)	664	16%	435	14%	53%

Net Sales and other operating income

Consolidated net sales stood at ₹ 4036 crores compared with net sales of ₹ 3054 crores during the previous financial year, registering growth of 32%.

Other operating income was ₹ 148 crores compared with ₹ 158 crores in previous financial year.

Operating Profit before depreciation/amortization, tax and interest (PBDIT)

SG&A expenses have increased by 21% to ₹ 1768 crores as compared to ₹ 1463 crores during the previous financial year.

The Company has improved its EBIDTA margins by 1%, which stands at 23% in current financial year as compared to 22% in previous year.

Research & Development expenses increased by 10% to ₹ 138 crores, as compared to ₹ 125 crores during the previous year. Product development costs account for 71% (previous year 72%) and discovery research costs account for 29% (previous year 28%) of the total R&D cost.

Foreign exchange losses were ₹ 84 crores against exchange loss of ₹ 5 crores during the previous year.

Depreciation and amortization

Depreciation and amortization charge during the financial year 2013-14 was ₹ 87 crores as compared with ₹ 83 crores during the previous year. Depreciation to total sales and operating income ratio was 2% for financial year 2013-14 compared with 3% for financial year 2012-13 causing the PAT margin gain of 1%.

Net interest expense

Net Interest Expenses (i.e. net of income from investments made in debt and money market instruments as reduced by Financing Cost) were ₹ 21 crores compared to ₹ 9 crores income during the previous financial year.

Exceptional Items

Exceptional item of ₹ 37 crores during the previous financial year represents the impairment in value of long term investments in GPC Cayman Investor I Limited, based on the assessment of value of investments.

Income Tax

The income tax charge for the financial year 2013-14 stood at ₹ 180 crores compared to ₹ 147 crores in financial year 2012-13. Average income tax rate as a percentage of profit before tax is 21% for the year 2013-14 as compared to 25% for the year 2012-13.

Net profit after taxes

The net profit after taxes for the financial year 2013-14 was ₹ 664 crores compared with ₹ 435 crores during the previous financial year, an increase of 53%.

CAPITAL & DEBT

During the year the equity share capital increased from ₹ 42 crores to ₹ 85 crores on account of issue of bonus shares by capitalisation of reserves. Consequently the numbers of equity shares have also increased from 8.46 crores to 16.92 crores.

Out of the divisible profits of ₹ 664 crores (previous year ₹ 433 crores), a sum of ₹ 76 crores (previous year ₹ 55 crores) was transferred to General Reserve Account. Dividend of ₹ 169 crores (₹ 10 per share) is proposed during the year, Previous year ₹ 194 crores (₹ 23 per share including special dividend of ₹ 10 per share pre-bonus) was distributed. Adjusting for the Bonus issue of shares and special dividend given previous year there is an increase of ₹ 3.5 in dividend per share. This distribution (including tax thereon) is approximately 30% of profit after tax for the year (previous year 52%).

The net long-term borrowing increased by ₹ 353 crores during the year, to ₹ 921 crores at the end of FY 2013-14 from ₹ 568 crores at the end of FY 2012-13. Increase in long term borrowings is mainly attributable to expansion in Dahej. Outstanding working capital loans were ₹ 210 crores (previous year ₹ 125 crores). The total debt to net worth (including deferred tax liability) ratio as at the end of FY 2013-14 was 0.47 (previous year 0.42).

FIXED ASSETS

The net investment in fixed assets during the year was ₹ 304 crores; comprising addition in gross assets, capital advances and capital work in progress of ₹ 383 crores reduced by increase in accumulated depreciation of ₹ 79 crores. Addition to fixed assets mainly include capital expenditure incurred for setting up of new manufacturing facility at Dahej dedicated to International operations and capacity expansion at manufacturing facility located at Indrad and Baddi.

WORKING CAPITAL AND LIQUIDITY

The trade working capital i.e. the net working capital investment excluding cash and cash equivalents, short term borrowings, current maturity of long term debt increased by ₹ 195 crores from ₹ 570 crores at the end of financial year 2012-13 to ₹ 764 crores at the end of financial year 2013-14. Adjusting for accruals for health insurance contracts in Germany, the number of days of net trade working capital has increased from 118 days in 2012-13 to 133 days in 2013-14.

The liquidity of the Company as reflected by cash and bank balances and current investments increased by ₹ 268 crores, from ₹ 687 crores at the end of financial year 2012-13 to ₹ 955 crores at the end of financial year 2013-14. The Company generated net cash of ₹ 599 crores from operations (after working capital changes) during financial year 2013-14 while it spent a net amount of ₹ 356 crores in investing activities such as acquisition of new fixed assets and long term investments. Net cash flow generated in financing activities comprising dividend and interest paid and net debts taken, was ₹ 86 crores during financial year 2013-14.

For and on behalf of the Board

Ahmedabad
9th May, 2014

Samir Mehta
Executive Vice Chairman

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereinafter “the Code”) through Clause 49 in the Listing Agreement executed by the Company with stock exchanges. The Code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporates. This report sets out the details of corporate governance systems and processes of the Company, as set out in Clause 49 and the practices followed by the Company with respect thereto, for the financial year ended 31st March, 2014. The Company is in full compliance with the corporate governance norms as stipulated in Clause 49.

Company’s Philosophy on Corporate Governance

The Company believes that the Code prescribes only a minimum framework for governance of a business in corporate framework. The Company’s philosophy is that while implementation of minimum framework is prerequisite, this should lay the foundation for further development of superior governance practices which are vital for growing a successful business. The Company recognises that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance and accordingly the Company has undertaken several initiatives towards maintaining the highest corporate governance standards and compliance system. It is the Company’s endeavour to attain highest level of governance to enhance the stakeholder’s value.

1. BOARD OF DIRECTORS

The Board comprised of eight directors as on 31st March, 2014 of which six are Non-Executive Directors (“NEDs”) (75% of the Board strength) and four are Independent Non-Executive Directors (“INEDs”) (50% of the Board strength). The total strength of Board reduced to seven due to resignation of Dr. Leena Srivastava, one of INEDs, on 26th April, 2014.

The Board has at their meeting held on 9th May, 2014 recommended to shareholders for appointment of Shri Ashish Nanda and Smt. Bhavna Doshi as new INEDs at the ensuing Annual General Meeting.

The Board has, at their aforesaid meeting, agreed to the request of Shri Sudhir Mehta for relinquishing his position as the Chairman of the Board and the Company, appointing him as the Chairman Emeritus effective from the conclusion of the Annual General Meeting of the Company scheduled on 30th July 2014, in addition to his continuing as a permanent member of the Board of the Company. The Board has further at the said meeting, subject to the approval of the shareholders, appointed Shri Samir Mehta, Executive Vice Chairman, as the Executive Chairman of the Company effective from the conclusion of the aforesaid Annual General Meeting.

The annual calendar of meetings is generally determined during last quarter of the preceding year after getting confirmation from all Directors on the same. It has been Company’s endeavour to have meetings at various plants / locations of the Company too, apart from the Registered Office of the Company.

During the financial year, the Board of Directors of the Company met four times on 30th May, 2013, 26th July, 2013, 30th October, 2013 and 21st January, 2014. The maximum time gap between any two consecutive meetings did not exceed four months.

The details of composition of the Board, the Board meetings held during the year & attendance of Directors at the said Board meetings and other related matters are as under:

Name & Designation of the Director	Category	No. of other Directorship held ³	No. of other Board Committees of which Member / Chairman / Chairperson ³	No. of Board Meetings held during the tenure	Board meetings attended	Attendance at the last AGM
Shri Sudhir Mehta, Chairman	NED	4	1 (Member)	4	4	Yes
Shri Markand Bhatt	NED	2	2 (Member)	4	4	Yes
Shri Pradeep Bhargava	INED	6	2 (Chairman); 3 (Member)	4	4	Yes
Dr. Prasanna Chandra ¹	INED	NA	NA	1	1	No
Shri Shailesh Haribhakti	INED	11	4 (Chairman); 2 (Member)	4	4	Yes
Shri Haigreve Khaitan	INED	14	7 (Member)	4	3	Yes
Shri Sanjay Lalbhai ¹	INED	NA	NA	1	Nil	No
Dr. Leena Srivastava ²	INED	3	Nil	4	4	Yes
Shri Samir Mehta, Executive Vice Chairman	MD	2	1 (Chairman); 1 (Member)	4	4	Yes
Dr. Chaitanya Dutt, Director (Research & Development)	WTD	Nil	Nil	4	4	Yes

Notes:

- 1 Dr. Prasanna Chandra and Shri Sanjay Lalbhai retired as Directors with effect from 26th July, 2013 (i.e. date of last Annual General Meeting).
- 2 Dr. Leena Srivastava ceased to be a Director of the Company due to her resignation with effect from 26th April, 2014.
- 3 These numbers exclude the directorship / committee membership held in the Company and in private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 (corresponding Section 8 of the Companies Act, 2013) and alternate directorship. Further, it includes only the chairmanship / membership of the Audit Committee and Shareholders' Grievance Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Clause 49 of the Listing Agreement, which were placed before the Board.
- 4 NED – Non-Executive Director; INED – Independent Non-Executive Director; MD – Managing Director; WTD – Whole-time Director; NA – Not Applicable.
- 5 Except Shri Sudhir Mehta and Shri Samir Mehta, who are related to each other as brothers, none of the other Directors is related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 1956 and the Companies Act, 2013.

Shri Samir Mehta is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered himself for re-appointment. Relevant details pertaining to Shri Samir Mehta is provided in the Notice of the Annual General Meeting.

All INEDs of the Company have furnished declarations that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, which were placed before the Board.

2. AUDIT COMMITTEE

In accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board of Directors has constituted an Audit Committee. The constitution of the Committee is also in compliance with the provisions of Section 177 of the Companies Act, 2013.

During the year under review, four meetings of the Committee were held on 30th May, 2013, 26th July, 2013, 30th October, 2013 and 21st January, 2014 and the gap between two meetings did not exceed four months.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation	Category of Directorship	Qualification / Competence	No. of meetings held during the tenure	No. of meetings attended
Shri Shailesh Haribhakti, Chairman	Independent Non-Executive	F.C.A.	4	4
Shri Pradeep Bhargava ¹	-- do --	B. Sc. (Honours), B.E. (EC), MBA (IIMA)	3	3
Dr. Prasanna Chandra ²	-- do --	MBA, Ph. D. in Finance	1	1
Shri Haigreve Khaitan	-- do --	LL. B.	4	3
Dr. Leena Srivastava ³	-- do --	Ph. D. in Energy Economics	4	4

- 1 Shri Pradeep Bhargava was appointed as the Member of the Committee by the Board at their meeting held on 30th May, 2013.
- 2 Dr. Prasanna Chandra retired as Director with effect from 26th July, 2013 and consequently from the Committee with effect from said date.

3 Dr. Leena Srivastava ceased to be member of the Committee with effect from 26th April, 2014, as resigned from the Board.

The Chairman of the Committee attended the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Audit Committee. In addition to the above, the Committee meetings were also attended by related Executive Director, the Chief Financial Officer, Statutory Auditors and Internal Auditors. Cost Auditor and other related functional Executives of the Company also attended the meetings, as and when required.

Usually, during every meeting of the Committee, members of the Committee also discuss with the representatives of the Statutory Auditors on one to one basis about their report and concern, if any, without presence of the Executives of the Company.

The broad terms of reference of the Committee are to review and recommend the financial statements and to review the adequacy of internal control systems and internal audit function. The Board has at their meeting held on 9th May, 2014 reviewed and revised the existing terms of reference of the Committee, in view of changes made in the provisions of the Companies Act, 2013 and Listing Agreement. The detailed terms of reference of the Committee as approved by the Board and as revised / updated from time to time by the Board, are given below:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommendation to the Board for appointment, re-appointment, remuneration and terms of appointment and, if required, the replacement or removal of statutory auditors of the Company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - A Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - B Changes, if any, in accounting policies and practices and reasons for the same;
 - C Major accounting entries involving estimates based on the exercise of judgment by management;
 - D Significant adjustments made in the financial statements arising out of audit findings;
 - E Compliance with listing and other legal requirements relating to financial statements;
 - F Disclosure of any related party transactions; and
 - G Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- viii. Approval of transactions with related parties or any subsequent modification thereof and recommend such transactions, if required, to the Board for its approval.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the Company, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.

- xii. Reviewing, with the management, performance of statutory, cost and internal auditors, adequacy of the internal control systems.
 - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - xiv. Discussion with internal auditors of any significant findings and follow up there on.
 - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - xviii. To review the functioning of the Whistle Blower mechanism.
 - xix. Recommend to the Board for approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 - xx. Recommending to the Board the terms of appointment, re-appointment and if required, the replacement or removal of cost auditors and internal auditors & fixation of their audit fees & fees for other services.
 - xxi. To review the following information:
 - A Management discussion and analysis of financial condition and results of operations;
 - B Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - C Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - D Internal audit reports relating to internal control weaknesses; and
 - E The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
 - xxii. Investigate any matter referred to it by the Board or within its terms of reference.
 - xxiii. To review the financial statements, in particular, the investments made by the unlisted subsidiary companies of the Company.
- In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable laws.

3. SECURITIES TRANSFER & STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to requirement of provisions of the Companies Act, 2013, the Board at its meeting held on 9th May, 2014 changed the nomenclature of the Committee to “Securities Transfer & Stakeholders Relationship Committee” (earlier Securities Transfer & Investors’ Grievance Committee) to consider and resolve the grievances of security holders / investors of the Company. The Board, at their above meeting, has also reviewed and revised the existing terms of reference of the Committee, in view of changes made in the provisions of the Companies Act, 2013 by extending the scope of its function relating to review, consideration & resolution of grievances, so as to include all security holders of the Company. Accordingly, the Securities Transfer & Stakeholders Relationship Committee, as a sub-committee of the Board will, inter alia, review and resolve grievances of shareholders / security holders / other investors (“stakeholders”). During the year, the Committee met seven times on 23th April, 2013, 12th July, 2013, 25th July, 2013, 1st October, 2013, 31st October, 2013, 6th December, 2013 and 6th January, 2014. The composition of the Committee as well as the

particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation of Director	Category	No. of meetings attended
Shri Sudhir Mehta, Chairman	Non-Executive Director	6
Shri Markand Bhatt	Non-Executive Director	7
Shri Samir Mehta	Managing Director	6

Mahesh Agrawal, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee and was also the designated Compliance Officer for such matters.

99.40% of the equity shares of the Company are held in dematerialised form & the handling of physical transfer of shares is minimal. No transfer of equity shares is pending as on 31st March, 2014.

During the year the Company received 5 complaints from the shareholders and the same were attended within a reasonable period of time. No complaint was pending as on 31st March, 2014.

4. APPOINTMENT & REMUNERATION OF DIRECTORS

Nomination and Remuneration Committee

During the year under review, one meeting of the Committee was held on 30th May, 2013.

The composition of the Committee as well as the particulars of attendance at the Committee meeting during the year and other related details are given in the table below:

Name & Designation of Director	Category	No. of meetings attended
Shri Shailesh Haribhakti, Chairman ¹	Independent Non-Executive	1
Shri Markand Bhatt	Non-Executive Director	1
Shri Pradeep Bhargava ²	Independent Non-Executive	N.A.
Dr. Prasanna Chandra ³	Independent Non-Executive	1

- 1 Shri Shailesh Haribhakti was selected as Chairman of the Committee by the Members of the Committee at its meeting held on 30th May, 2013.
- 2 Shri Pradeep Bhargava was appointed as the Member of the Committee by the Board at their meeting held on 30th May, 2013.
- 3 Dr. Prasanna Chandra retired as Director with effect from 26th July, 2013 (i.e. date of last Annual General Meeting) and consequently from the Committee with effect from said date.

Mahesh Agrawal, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee.

The 'Nomination and Remuneration Committee' of the Company recommends the nomination of Executive Directors (members of the Board) as well as Non-Executive Directors (NEDs) and remuneration of such Executive Directors and NEDs [other than Independent Non-Executive Directors (INEDs)] and recommend and monitor the level and structure of remuneration of senior management of the Company as per the Remuneration Policy.

The Board has at their meeting held on 9th May, 2014 reviewed and revised the existing terms of reference of the Committee, in view of promulgation of the provisions of the Companies Act, 2013 and Listing Agreement. The terms of reference of the Committee as approved and revised / updated from time to time by the Board, are as follows:

1. To evaluate and recommend the composition of the Board of Directors and sub-committees thereof.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee.

3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP).
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors.
5. Devising a Policy on Board Diversity.
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
7. Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time.
8. The Committee shall, while formulating the policy, ensure the following:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
9. To undertake related activities, functions and duties as the Board of Directors may from time to time, after deliberations, prescribe or as may be required to be undertaken in terms of any statutory or regulatory provisions including Companies Act, 2013 and rules made thereunder and Listing Agreement with stock exchanges.
10. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.

Remuneration Policy, details of remuneration and other terms of appointment of Directors

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-calibre executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Whole-time Directors / Executive Directors are optimum. Remuneration package for Executive Directors are designed with optimum combination of fixed component and / or performance linked pay reflecting the physical (quantitative and qualitative) and financial performance of the Company. The remuneration policy is in consonance with the existing industry practice subject to statutory limits as specified in the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof).

a. Appointment & Remuneration of Executive Vice Chairman / Whole-time Director

The appointment and remuneration of Shri Samir Mehta, Executive Vice Chairman, was decided by the Board at its meeting held on 30th July, 2010 with effect from 1st August, 2010 and approved by the shareholders at the Annual General Meeting held on 30th July, 2011 for a period of five years on payment of commission at a rate to be decided by the Board from time to time and other benefits such that the total remuneration does not exceed such percentage limit of net profits of the Company as specified in the Companies Act, 1956, calculated in accordance with Sections 349 and 350 read with Section 198, subject to the overall ceiling prescribed under Section 309 read with Section I of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof).

Appointment and remuneration of Dr. Chaitanya Dutt, Director (Research & Development) was decided by the Board and approved by the shareholders at the Annual General Meeting held on 23rd July, 2012 effective from 1st January, 2012 for a period of three years up to 31st December, 2014.

b. Remuneration of Non-Executive Directors including Independent Directors

1. The shareholders, at the Annual General Meeting held on 30th July, 2011, approved the payment of commission to the Directors of the Company who are neither in the whole time employment nor managing director(s) (NEDs), in accordance with and upto the limit laid down under the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) or such other limit as may be approved by the Central Government or the relevant authority, for a period of 5 years from the financial year commencing 1st April, 2010.
2. The Board or its Committee specifically authorised for this purpose shall determine the manner and extent upto which the commission shall be paid to the NEDs. The commission shall be determined based on the participation of the Directors in the meetings of Board and / or Committees thereof and other affairs of the Company .
3. In case of inadequacy of profits, remuneration upto ₹ 5 lacs per annum shall be payable as minimum remuneration to each NED who is also member of any Committee of the Directors and upto ₹ 3 lacs per annum to each NED who is not a member of any such Committee of the Directors subject to requisite approvals.
4. The commission for any financial year shall become due on approval by the Board of the amount of such commission and financial statements for that year.

Details of remuneration of Directors for the year ended 31st March, 2014 are as under:

(₹ in lacs)

Name & Designation of Director [§]	Salary & Perquisites [#]	Commission ^{##}	Total
Shri Sudhir Mehta, Chairman	Nil	750.00	750.00
Shri Markand Bhatt	Nil	Nil	Nil
Shri Pradeep Bhargava	Nil	25.00	25.00
Dr. Prasanna Chandra ¹	Nil	7.00	7.00
Shri Shailesh Haribhakti	Nil	28.00	28.00
Shri Haigreve Khaitan	Nil	18.00	18.00
Shri Sanjay Lalbhai ¹	Nil	Nil	Nil
Dr. Leena Srivastava ²	Nil	24.00	24.00
Shri Samir Mehta, Executive Vice Chairman	3.13	750.00	753.13
Dr. Chaitanya Dutt, Director (Research & Development)	274.19	Nil	274.19
Total	277.32	1602.00	1879.32

Notes:

- 1 Dr. Prasanna Chandra and Shri Sanjay Lalbhai retired as Directors with effect from 26th July, 2013 (i.e. date of last Annual General Meeting).
 - 2 Dr. Leena Srivastava ceased to be a Director of the Company due to her resignation with effect from 26th April, 2014.
- § The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the shareholders and applicable rules of the Company. None of the Directors are entitled to a severance fees.
- # Includes salary, house rent allowance, contribution to provident / gratuity / superannuation funds & approved perquisites. Directors have not been granted any stock options during the year.
- ## Commission as approved by the Board subject to maximum of such a rate of the eligible net profits so that the remuneration does not exceed the limit as approved by the shareholders and as specified in the Companies Act, 1956.

No sitting fee was paid to any of the Directors during the year.

Khaitan & Co., a law firm in which Shri Haigreave Khaitan, an Independent Non-Executive Director, is a partner, were paid ₹ 10.01 lacs as professional fees for legal services provided during the year. Apart from above, there were no other pecuniary relationships / transactions with the Non-Executive Directors vis-à-vis the Company.

Shareholding of Non-Executive Directors

Details of the equity shares held by Non-Executive Directors as on 31st March, 2014 are as under:

Name of the Director	Nos. of Equity shares
Shri Sudhir Mehta	7,602,856*
Shri Markand Bhatt	10,200**
Shri Shailesh Haribhakti	6,000

* Including shares held as Karta of HUF.

** Held jointly with Shri Gunjan Bhatt (son of Shri Markand Bhatt being independent) as first holder and Shri Markand Bhatt as second holder.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors through circular resolution dated 3rd May, 2014 has constituted a Corporate Social Responsibility (CSR) Committee of the Board.

The composition of the CSR Committee as approved by the Board is as follows:

Name of the Member	Category
Shri Pradeep Bhargava ¹	Independent Non-Executive Director
Shri Markand Bhatt	Non-Executive Director
Dr. Chaitanya Dutt	Whole-time Director

¹ Shri Pradeep Bhargava was selected as Chairman of the CSR Committee by the Members of the Committee at its meeting held on 9th May, 2014.

Mahesh Agrawal, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee.

6. GENERAL BODY MEETINGS

Details of the Annual General Meetings (AGM) held during last three years are as under:

AGM	Date	Time	Venue	No. of special resolutions passed
38 th AGM	30-Jul-11	09:30 AM	J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad	1
39 th AGM	23-Jul-12	09:30 AM	-- do --	-
40 th AGM	26-Jul-13	09:30 AM	-- do --	-

During the year under review, the Company sought approval from the shareholders by Postal Ballots for the following proposals:

Date of Notice	Proposal	No. & % of votes casts in favour	No. & % of votes casts against	Date of Passing of resolutions
30 th May, 2013	Ordinary Resolution for increase in Authorised Share Capital and alteration in capital clause of the Memorandum of Association	70,759,676 (99.998%)	1,688 (0.002%)	12 th July, 2013
	Ordinary Resolution for issue of Bonus Shares in the ratio of 1 (one) new fully paid-up Equity Share of ₹ 5 each for every 1 (one) fully paid-up Equity Share of ₹ 5 each	70,755,966 (100%)	29 (negligible%)	
18 th December, 2013	Special Resolution for enhancement of Borrowing Limits of the Company from existing ₹ 3000 crores to ₹ 5000 crores	149,085,021 (99.92%)	126,930 (0.08%)	21 st January, 2014
	Special Resolution for creating charge on the Company's properties for securing the borrowing availed or to be availed within the said limits	149,084,699 (99.92%)	127,252 (0.08%)	

All of aforesaid resolutions were passed by the shareholders by overwhelming and requisite majority.

Shri Rajesh Parekh, Company Secretary conducted the Postal Ballot for both the aforesaid proposals.

The postal ballot exercise was conducted in accordance with the applicable provisions of Section 192A(2) and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. The Postal Ballot Notice & Explanatory Statement alongwith the Postal Ballot Form and postage prepaid business reply envelope were dispatched to the shareholders to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballots, the Scrutinizer, after due verification, submitted his report to the Company. Thereafter, the results of the Postal Ballot were declared by the Company and were posted on the website of the Company and at the Registered Office of the Company.

At present there is no proposal to pass any resolution through postal ballot.

7. DISCLOSURES

a. Legal Compliances

The Company follows a formal management policy and system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

b. Code of Business Conduct

The Code of Business Conduct adopted by the Company has been posted on the website of the Company. The Members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Business Conduct for the effective period. The declaration by the Executive Vice Chairman to that effect forms part of this report as Annex 1.

c. Related Party Transactions

Transactions with related parties are disclosed in detail in Note 43 annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

d. CEO / CFO Certification

The Executive Vice Chairman (EVC) and Chief Financial Officer (CFO) of the Company give annual certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The EVC and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

e. Details of unclaimed shares as per Clause 5A of the Listing Agreement

Pursuant to Clause 5A of the Listing Agreement, the shares remaining unclaimed by the shareholders were transferred by the Company during the financial year 2011-12 to the "Torrent Pharmaceuticals Limited - Unclaimed Suspense Account". During the year, on the basis of requests received from some of the shareholders, the Company credited the shares from said Account to the individual account of the related shareholders to the extent of their entitlement. The details as required under Clause 5A.II (h) of the Listing Agreement are as under:

Particulars	Number of shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 st April, 2013	211	57,700
Fully paid-up Equity Shares of ₹ 5 each issued in the ratio of 1:1 as Bonus Shares on 25 th July, 2013 (400 shares lying in the Unclaimed Suspense Account were transferred to shareholders prior to Bonus Issue)	-	57,300
Total Shares	-	115,000
Number of shareholders who approached to the Company / Registrars and Transfer Agents (RTA) for transfer of shares from Unclaimed Suspense Account during the year ended 31 st March, 2014	8	3,760
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31 st March, 2014	8	3,760
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31 st March, 2014	203	111,240

f. Whistle Blower Policy

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the employees to raise concerns about any misconduct or unacceptable practice. The Company has adopted a whistle blower policy through which the Company encourages employees to bring to the attention of Senior Management including Audit Committee, any unethical behaviour and improper practices and wrongful conduct taking place in the Company for taking appropriate action. The confidentiality of those reporting such practices is maintained without any discrimination. Pursuant to Section 177 of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of the SEBI Equity Listing Agreement, every listed Company is required to establish a vigil mechanism through a

Whistle Blower Policy both for employees and Directors to report their concerns and grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. In view of this, the Whistle Blower Policy was revised by the Board at its meeting held on 9th May, 2014 to report the concerns and grievances by Directors and employees about unethical behaviour and improper practices and wrongful conduct taking place in the Company for taking appropriate action.

g. Policy on protection of Women against Sexual Harassment at Work Place

The Company is committed to creating a healthy & conducive working environment that enables women at workplace to function without fear of prejudice, gender bias and sexual harassment in implicit or explicit form. Further, the Company considers sexual harassment as a gross misconduct and in line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and Rules made thereunder, the Company has adopted a "Policy on protection of women against sexual harassment at work place" with effect from 1st March, 2014 by replacing the old policy earlier adopted by the Company. The new Policy intends to establish a more robust mechanism for prevention of sexual harassment of women at work place. Through this Policy, the Company seeks to provide protection against sexual harassment of women at work place and their further prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

h. Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by the Clause 49. The non-mandatory requirements complied with have been disclosed at the relevant places.

8. COMMUNICATION TO SHAREHOLDERS

During the year, audited quarterly and annual financial results on the standalone basis and un-audited quarterly and audited annual financial results on the consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these and un-audited quarterly financial results on the consolidated basis were published in two leading newspapers - The Business Standard (English) & Jaihind (Gujarati) and audited annual financial results on the consolidated basis were published in all the English editions of The Financial Express and The Indian Express and in Gujarati language of The Financial Express. These were also promptly put on the Company's website www.torrentpharma.com. All official news release of relevance, quarterly results and presentations made by the Company to the investors / analysts were also made available on the Company's website for a reasonable period of time. In line with last year, the Company plans to send the soft copies of Annual Report 2013-14 to those shareholders whose email ids are registered with the Depository Participants (DPs) and / or with the Company's Registrars and Transfer Agents, unless opted by them to get the physical copy, to support the "Green Initiative in the Corporate Governance", an initiative taken by the Ministry of Corporate Affairs (MCA).

9. GENERAL SHAREHOLDER INFORMATION

a. 41st Annual General Meeting

Date & Time	Wednesday, 30 th July, 2014 at 09:30 AM
Venue	J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad

b. Tentative Financial Calendar for the year 2014-15

Financial year	1 st April to 31 st March
First Quarter results	Fourth week of July 2014
Half Yearly results	First week of November 2014
Third Quarter results	Fourth week of January 2015
Results for year-end	Third week of May 2015

c. Date of Book Closure

18th June, 2014 to 20th June, 2014 (both days inclusive)

d. Dividend payment date

The proposed dividend, if approved at the ensuing Annual General Meeting will be distributed on or around 4th August, 2014.

e. Listing on Stock Exchanges and Security Codes

Name of Stock Exchange	Security Code
BSE Limited, Mumbai (BSE)	500420
National Stock Exchange of India Limited, Mumbai (NSE)	TORNTPHARM

The Company has paid the annual listing fees for the year 2014-15 to both of the above stock exchanges.

f. Market Price Data

The closing market price of equity share on 31st March, 2014 (last trading day of the year) was ₹ 523.65 on BSE & ₹ 524.25 on NSE. During the year under review, the Company has issued 84,611,360 Equity Shares of ₹ 5 each as fully paid-up Bonus Shares in the ratio of 1:1.

The monthly movement of equity share prices during the year at BSE & NSE are summarized below (*adjusted for Bonus issue in the ratio of 1:1 on 25th July, 2013, for first four months to achieve comparability*):

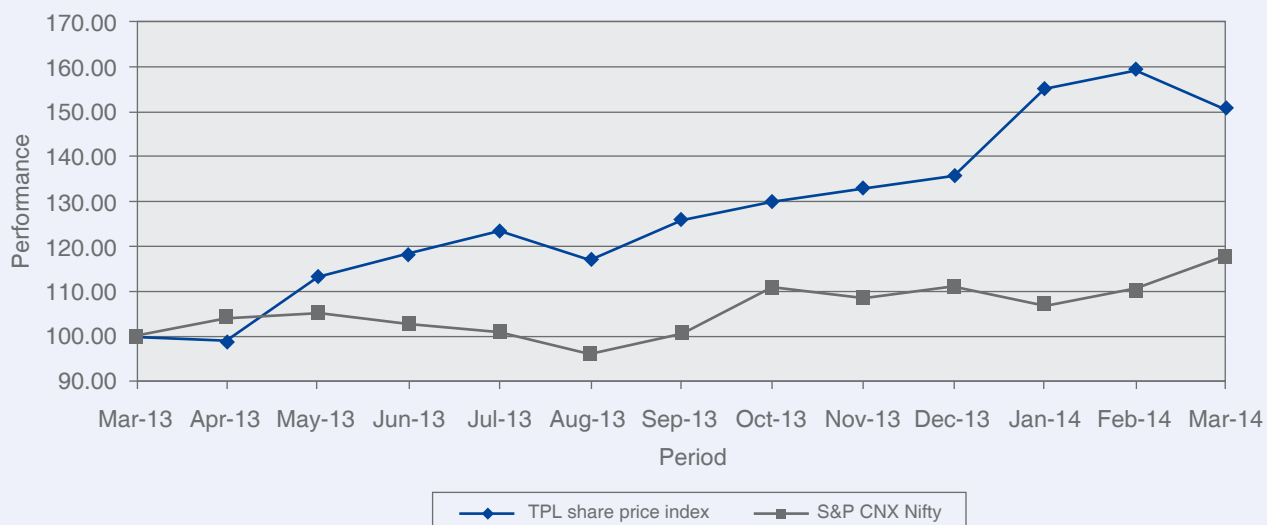
Monthly Share Price movement during the financial year ended 31 st March, 2014 at BSE & NSE (share price in ₹)						
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-13	351.98	334.25	459,082	351.35	334.23	570,766
May-13	404.75	334.50	279,228	404.50	335.00	2,274,432
Jun-13	435.90	384.00	776,004	436.20	385.20	3,521,346
Jul-13	454.30	405.10	830,324	454.35	404.00	3,415,588
Aug-13	464.80	385.95	331,837	466.40	384.90	1,500,850
Sep-13	464.45	400.00	192,274	463.15	400.95	1,566,640
Oct-13	451.00	404.00	165,690	456.05	403.00	1,583,647
Nov-13	500.60	447.75	155,143	502.00	440.30	1,132,954
Dec-13	521.00	457.40	2,175,711	521.85	458.00	6,758,717
Jan-14	568.00	461.40	1,647,232	567.70	460.00	5,148,670
Feb-14	572.85	534.30	216,952	572.00	533.00	1,410,700
Mar-14	578.00	519.00	243,252	578.50	518.60	1,814,730
Total			7,472,729			30,699,040
% of volume traded to outstanding shares			4.42%			18.14%

The performance of the equity share price of the Company vis-à-vis the S&P CNX Nifty at NSE is as under (adjusted for Bonus issue in the ratio of 1:1 on 25th July, 2013 for first four months to achieve comparability):

Month	TPL Share Price in ₹ at NSE**	S&P CNX Nifty**	Relative Index for comparison purpose	
			TPL share price index	S&P CNX Nifty
Mar-13	347.77	5682.55	100.00	100.00
Apr-13	344.87	5930.20	99.17	104.36
May-13	394.07	5985.95	113.31	105.34
Jun-13	411.12	5842.20	118.22	102.81
Jul-13	428.95	5742.00	123.34	101.05
Aug-13	407.60	5471.80	117.20	96.29
Sep-13	438.20	5735.30	126.00	100.93
Oct-13	451.50	6299.15	129.83	110.85
Nov-13	462.05	6176.10	132.86	108.69
Dec-13	472.25	6304.00	135.79	110.94
Jan-14	539.15	6089.50	155.03	107.16
Feb-14	553.80	6276.95	159.24	110.46
Mar-14	524.25	6704.20	150.74	117.98

** closing data on the last day of the month

Relative performance of TPL share price vs. S&P CNX Nifty



g. Distribution of shareholding as at 31st March, 2014

By size of shareholding:

From – To	Mode of holding	Shares held		No. of Shareholders	
		Number	% of total	Number	% of total
Up to 1,000	Physical	825,415	0.49	1,662	6.37
	Electronic	4,226,296	2.50	23,113	88.60
1,001 - 2,000	Physical	116,800	0.07	73	0.28
	Electronic	968,416	0.57	631	2.42
2,001 - 10,000	Physical	64,800	0.04	17	0.07
	Electronic	1,599,060	0.94	373	1.43
10,001 - 20,000	Physical	-	-	-	-
	Electronic	810,750	0.48	59	0.23
Above 20,000	Physical	-	-	-	-
	Electronic	160,611,183	94.91	159	0.61
Total	Physical	1,007,015	0.60	1,752	6.72
	Electronic	168,215,705	99.40	24,335	93.28
	Total	169,222,720	100.00	26,087	100.00

By category of shareholders:

Category	No. of Shares		Total Shares	% of Holding
	Electronic	Physical		
Promoter's Group	121,006,720	-	121,006,720	71.51
Mutual Fund and UTI	12,884,578	800	12,885,378	7.61
Bank, FIs & Insurance Companies	16,934	-	16,934	0.01
Foreign Institutional Investors / QFIs / NRIs	20,542,035	-	20,542,035	12.14
Other Bodies Corporate	1,968,045	10,035	1,978,080	1.17
Indian Public	11,797,393	996,180	12,793,573	7.56
Total	168,215,705	1,007,015	169,222,720	100.00

h. Dematerialisation of securities

The equity shares of the Company are traded compulsorily in the dematerialized segment of all the stock exchanges and are under rolling settlement. Approximately 99.40% of the shares have been dematerialised. Shares held by promoters are in 100% dematerialised form. The demat security (ISIN) code for the equity share is INE685A01028.

i. Share transfer system

To expedite the transfer of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the Company. The transfers which are complete in all respects are taken up for approval generally every ten days and the transferred securities dispatched to the transferee within fifteen days. The details of transfers / transmission approved by the delegates are noted by the Securities Transfer & Stakeholders Relationship Committee at its next meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Limited & Central Depository Services (India) Limited. The transfer of shares in depository mode need not be approved by the Company.

j. Outstanding GDRs / ADRs / Warrants / any other convertible instruments

The Company does not have any outstanding instruments of the captioned type.

k. Registered Office

Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India
Phone: + 91 79 26585090 / 26583060
Fax: + 91 79 26582100

l. Plant Locations

1. Village Indrad, Taluka Kadi, Dist. Mehsana (Gujarat)
2. Village Bhud, Baddi, Teh. Nalagarh, Dist. Solan (Himachal Pradesh)
3. 32 No. Middle Camp, NH-31A, East District, Gangtok (Sikkim)

m. Dahej Project Site

Plot No. Z104-106, Dahej SEZ Phase II, Taluka Vagra, Dist. Bharuch (Gujarat)

n. Research & Development Facility

Village Bhat, Dist. Gandhinagar - 382 428 (Gujarat)

o. Compliance Officer

Mahesh Agrawal
VP (Legal) & Company Secretary
Torrent Pharmaceuticals Limited
Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India
Phone: + 91 79 26585090 / 26583060 Fax: + 91 79 26582100
Email Id: maheshagrwal@torrentpharma.com

p. Investor services

Email Id: investorservices@torrentpharma.com

q. Registrars & Transfer Agents (RTA)

KARVY COMPUTERSHARE PRIVATE LIMITED
Unit: Torrent Pharmaceuticals Limited
Plot No. 17 to 24, Vittalrao Nagar, Madhapur,
Hyderabad – 500 081
Phone: + 91 40 44655000
Fax: + 91 40 23420814
Contact person: K. S. Reddy
Email Id: einward.ris@karvy.com

For & on behalf of the Board

Ahmedabad
9th May, 2014

Sudhir Mehta
Chairman

ANNEX 1 TO CORPORATE GOVERNANCE REPORT

To
The Shareholders,

Affirmation of Compliance with Code of Business Conduct

I, Samir Mehta, Executive Vice Chairman, declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Business Conduct for the period from 1st April, 2013 or the date of their joining the Company, whichever is later to 31st March, 2014 from all Members of the Board and employees under Senior Management Cadre comprising CEO / Executive Directors (not a Member of the Board), Vice Presidents and General Managers.

Ahmedabad
9th May, 2014

Samir Mehta
Executive Vice Chairman

Standalone Financial Statements 2013-14

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TORRENT PHARMACEUTICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117365W)

Hemendra L. Shah

Partner
(Membership No. 33590)

Ahmedabad
9th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified over a period of three years by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on such verification have been properly dealt with in the books of account.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) transactions during the year exceeding the value of Rupees Five lacs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has been generally regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax/VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and employees' state insurance which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
The West Bengal Sales Tax Act, 1994	Demand of Tax	Taxation Tribunal, West Bengal	2004-05	9.98
West Bengal Value Added Tax Act, 2003	Demand of Tax	Additional C.C.T , West Bengal	2007-08 to 2009-10	149.82
West Bengal Value Added Tax Act, 2003	Demand of Tax	Joint Commissioner Commercial Tax, West Bengal	2010-11	47.00
Uttar Pradesh Trade Tax Act, 1948	Demand of Tax	Joint Commissioner Commercial Tax, Uttar Pradesh	2003-04 to 2010-11	42.41
Uttar Pradesh Trade Tax Act, 1948	Demand of Penalty	Tribunal, Uttar Pradesh	2009-10	1.84
Kerala Value Added Tax Act , 2003	Demand of Tax	Deputy Commissioner - Appeals	2005-06 to 2007-08	41.13
Maharashtra Value Added Tax Act ,2002	Demand of Tax	Deputy Commissioner - Appeals	2006-07	84.66
Income Tax Act, 1961	Demand of Tax	Commissioner of Income Tax (Appeals)	2004-05	0.15
E.S.I Act, 1948	E.S.I Contribution	Gujarat High Court	1993-94 to 2013-14	730.75
Central Excise Act, 1944	Cenvat Credit / Input Service Tax / Demand of Duty and penalty	Additional / Deputy Commissioner / Commissioner (Appeals)	2013-14	32.14
	Cenvat Credit / Input Service Tax / Demand of Duty and penalty	Deputy Commissioner of Central Excise Kalol	2012-13	9.97
	Cenvat Credit / Input Service Tax / Demand of Duty and penalty	Commissioner (Appeals)	2006-07 to 2012-13	14.16
	Cenvat Credit / Input Service Tax / Demand of Duty and penalty	CESTAT	2005-06 to 2011-12	86.69

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
Finance Act, 1994	Demand of Penalty	CESTAT	2008-09 to 2010-11	18.21
	Demand of Duty, Interest & Penalty	CESTAT	2007-08 to June 2012	3,630.08
	Demand of Penalty	Commissioner (Appeals)	2006-07 to 2011-12	13.35

- (xi) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding the financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (xiii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xviii) The Company has not issued any debenture during the year.
- (xix) The Company has not raised money by public issue during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
9th May, 2014

BALANCE SHEET

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	84.62	42.31
Reserves and surplus	3	2,205.19	1,608.78
		2,289.81	1,651.09
Non-current liabilities			
Long-term borrowings	4	744.46	454.54
Deferred tax liabilities (net)	5	47.46	56.89
Other long-term liabilities	6	9.61	9.76
Long-term provisions	7	74.40	71.01
		875.93	592.20
Current liabilities			
Short-term borrowings	4	210.34	124.62
Trade payables		479.69	450.74
Other current liabilities	6	337.72	329.87
Short-term provisions	7	139.19	207.84
		1,166.94	1,113.07
	TOTAL	4,332.68	3,356.36
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		831.39	784.99
Intangible assets		4.77	6.39
Capital work-in-progress		507.58	276.31
		1,343.74	1,067.69
Non-current investments	9	149.38	147.50
Long-term loans and advances	10	106.49	53.36
Other non-current assets	11	60.74	23.90
		1,660.35	1,292.45
Current assets			
Current investments	9	172.48	42.76
Inventories	12	694.51	697.09
Trade receivables	13	1,317.43	831.27
Cash and cash equivalents	14	218.49	277.76
Short-term loans and advances	10	80.88	69.37
Other current assets	11	188.54	145.66
		2,672.33	2,063.91
	TOTAL	4,332.68	3,356.36
Notes forming part of the Financial Statements	1-43		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
9th May, 2014

Sudhir Mehta
Chairman

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Balance Sheet

Samir Mehta
Executive Vice Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

STATEMENT OF PROFIT AND LOSS

		(₹ in Crores)	
	Notes	Year ended 31-Mar-2014	Year ended 31-Mar-2013
REVENUE			
Revenue from operations			
Sales		3,228.00	2,624.65
Less : Excise duties	27	7.38	7.10
Net sales		3,220.62	2,617.55
Operating income		144.25	148.68
Revenue from operations (net)	15	3,364.87	2,766.23
Other income	16	35.54	131.67
Total Revenue		3,400.41	2,897.90
EXPENSES			
Cost of materials consumed	17	876.08	797.43
Purchases of stock-in-trade		93.38	292.52
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	30.61	(110.43)
Employee benefits expense	19	418.90	366.34
Finance costs	20	58.44	36.51
Depreciation and amortization expense		79.47	71.50
Other expenses	21	885.21	741.22
Total Expenses		2,442.09	2,195.09
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		958.32	702.81
Exceptional items		-	37.49
PROFIT BEFORE TAX		958.32	665.32
TAX EXPENSE			
Current tax [Net of MAT credit utilized ₹ 14.94 Crores (previous year ₹ 24.78 Crores)]		205.80	126.91
Deferred tax (credit) / charge		(9.42)	(6.29)
(Excess) / short provision for tax of earlier years		(0.40)	(1.72)
		195.98	118.90
NET PROFIT FOR THE YEAR		762.34	546.42
Earnings per share [Nominal value per equity share of ₹ 5]			
Basic	22	45.05	32.29
Diluted	22	45.05	32.29
Notes forming part of the Financial Statements	1-43		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
9th May, 2014

Sudhir Mehta
Chairman

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Statement of Profit and Loss

Samir Mehta
Executive Vice Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

CASH FLOW STATEMENT

	(₹ in Crores)	
	Year ended 31-Mar-2014	Year ended 31-Mar-2013
A CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	958.32	665.32
Adjustments for :		
Depreciation and amortization expense	79.47	71.50
Allowance for doubtful debts (net of bad debts)	21.84	1.84
Foreign exchange loss / (gain) on borrowings	2.88	0.03
Loss on sale / discard / write-off of fixed assets	3.87	5.11
Provision / (reversal) on asset held for sale	0.29	-
Provision for diminution in value of long-term investment	-	37.49
(Profit) / loss on sale of current investments	(10.54)	(8.69)
Finance cost	58.45	36.51
Interest income	(23.94)	(39.45)
Government grant	(0.68)	(0.31)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,089.96	769.35
Adjustments for changes in working capital :		
Trade receivables, loans & advances and other assets	(517.91)	(582.98)
Inventories	2.58	(303.96)
Trade payables, liabilities and provisions	(47.54)	152.10
CASH GENERATED FROM OPERATIONS	527.09	34.51
Direct taxes paid	(217.01)	(103.20)
NET CASH FROM OPERATING ACTIVITIES	310.08	(68.69)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(364.45)	(294.63)
Proceeds from fixed assets sold	1.81	1.28
Long-term investments in subsidiaries	(0.94)	(7.43)
Refund of / (investment in) capital of partnership firms	(0.94)	153.37
Profit on sale of current investments	10.54	8.69
Interest received	27.85	49.24
NET CASH USED IN INVESTING ACTIVITIES	(326.13)	(89.48)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	426.74	242.53
Repayment of long-term borrowings	(84.87)	(82.82)
Net proceeds/ (repayment) of short-term borrowings	72.17	(20.38)
Government grant	0.68	0.31
Dividend paid	(267.39)	(83.44)
Finance cost paid	(60.83)	(30.71)
NET CASH USED IN FINANCING ACTIVITIES	86.50	25.49
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	70.45	(132.68)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	320.52	453.20
CASH AND CASH EQUIVALENTS AT END OF YEAR	390.97	320.52
Note: Cash and cash equivalents as at end of the year :		
Cash and cash equivalents as per Note - 14	218.49	277.76
Current investments as per Note - 9	172.48	42.76
	390.97	320.52

In terms of our report attached

Signatures to the Cash Flow Statement

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sudhir Mehta
Chairman

Samir Mehta
Executive Vice Chairman

Hemendra Shah
Partner

Ashok Modi
Executive Director
& Chief Financial Officer

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

Ahmedabad
9th May, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP includes Accounting Standards (AS) notified by the Central Government of India under Section 211 (3C) of The Companies Act, 1956, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) provisions of The Companies Act, 1956, pronouncements of Institute of Chartered Accountants of India and guidelines issued by Securities and Exchange Board of India (SEBI). The Company has presented financial statements as per format prescribed by Revised Schedule VI, notified under The Companies Act, 1956, issued by Ministry of Corporate Affairs. Except where otherwise stated, the accounting policies are consistently applied.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as non current.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgements and estimates, which it believes are reasonable under the circumstances, that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

1.3 Fixed assets, depreciation and amortization

Tangible assets

- Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.
- Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.
- Depreciation on fixed assets is provided using the straight-line method at the rates prescribed in Schedule XIV of The Companies Act, 1956 or based on useful life of the assets as estimated by the management, whichever is higher.

The management's estimate of the useful life for various categories of fixed assets are given below:

Office buildings	58 years
Factory buildings	28 years
Plant and machinery	10 to 20 years
Laboratory equipment	5 to 20 years
Electrical equipment	10 to 20 years
Furniture and fixtures	10 years
Office equipment	10 years
Computer equipment	3 years
Vehicles	10 years

- Cost of leasehold land (except for lease of long tenure) is amortized over the period of the lease. Cost of lease hold land where lease period is of long tenure and substantial rights of ownership are with lessee, is not amortized.

Intangible assets

- Acquired product licenses are capitalized at costs comprising of direct costs of purchase and expenses directly attributable to the purchase of product licenses.

- (b) Software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow there from for a period longer than one year.
- (c) Intangible assets are amortized over their estimated useful lives on a straight-line basis. The management's estimate of the useful life of various categories of intangible assets are given below:

Product licenses	Upto 10 years
Software	3 to 5 years

Impairment of assets

- (a) Fixed assets are reviewed for impairment losses at each balance sheet date for events or changes in circumstances indicating that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.
- (b) Fixed assets that have been retired from their active use and held for disposal, are classified as current assets, and are stated at lower of their cost and net realizable value.

1.4 Investments

- (a) Non-current investments are carried at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.
- (b) Current investments are carried at lower of cost and fair value. Diminution in value is charged to the statement of profit and loss.
- (c) Current investments readily convertible in known amount of cash and subject to insignificant risk of changes in value are classified as cash and cash equivalents for preparation of cash flow statement.

1.5 Cash flow statement

The cash flow statement is prepared as per the "Indirect Method" as set out in AS - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is uncertainty in salability of an item. Costs incurred in bringing inventories to its existing location and condition are determined on the following basis:

- (a) Raw materials and packing materials - Purchase cost of materials on moving average basis.
- (b) Finished goods (manufactured) and work-in-progress - Cost of purchase, cost of conversion and other costs proportionately allocated determined on weighted average basis.
- (c) Finished goods (traded) - Purchase cost on moving average basis.

1.7 Revenue recognition

- (a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customers. Sales are net of discounts, sales tax, value added tax and estimated returns. Excise duty collected on sales are shown by way of deduction from sales.
- (b) Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- (c) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- (d) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.
- (e) Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

- (f) Dividend income is recognized when the unconditional right to receive dividend is established.
- (g) Interest income is recognized using the time proportionate method, based on rates implicit in the transaction.
- (h) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

1.8 Employees retirement and other benefits

Short-term employee benefits :

Short-term employee benefits like salaries, wages, bonus and welfare expenses payable wholly within twelve months of rendering the service are accrued in the year in which the associated services are rendered by the employees.

Long-term employee benefits :

- (a) Defined contribution plan :

Contribution in case of defined contribution plans (provident fund, superannuation benefit, social security schemes and other fund/schemes) is charged to the statement of profit and loss as and when it is incurred as employee benefits.

- (b) Defined benefit plan :

The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain/ loss are debited / credited, as the case may be, to the statement of profit and loss of the year as employees benefits.

- (c) Other long-term benefits :

Long-term compensation plan to employees (being deferred compensation paid 12 months or more after the end of the period in which it is earned) are expensed out in the period to which the costs relate at present value of the benefits under the plan.

The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at balance sheet date.

1.9 Government grants

- (a) Government grants are recognized when there is reasonable assurance that the grant will be received and all relevant conditions are complied with.
- (b) Grants received by way of investment subsidy scheme in relation to total investment are credited to capital reserve and are treated as part of owners' fund.
- (c) Grants that compensate expenses are recognized on receipt basis.

1.10 Finance costs

Finance costs consist of interest, amortization of ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

1.11 Cenvat credit

Cenvat (Central value added tax) credit in respect of excise, custom and service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance of cenvat credit is reviewed at the end of each year and amount estimated to be un-utilisable is charged to the statement of profit and loss for the year.

1.12 Stores and spares

Stores and spares (other than spares acquired with fixed assets) are charged to the statement of profit and loss as and when purchased.

1.13 Software costs

Expenditure incurred for procuring, developing, improving and maintaining software programs are charged to the statement of profit and loss as and when incurred, except when capitalized in accordance with Note 1.3 above.

1.14 Research and development

Revenue expenditure on research and development is expensed off under the respective head of expenses in the year in which it is incurred. Capital expenditure on research and development is reported as fixed assets under the relevant head. Depreciation on research and development fixed assets are not classified as research and development expenses and instead included under depreciation expenses.

1.15 Leases

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on accrual and straightline basis over the lease term.

1.16 Accounting for taxes

- (a) Current tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.
- (b) Deferred tax resulting from “timing differences” between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Net deferred tax liabilities are arrived at after setting off deferred tax assets.

1.17 Foreign currency transactions and balances

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.
- (b) The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise.
- (c) Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing rate. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction. The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs.
- (d) Investments in shares of foreign subsidiaries and other entities are expressed in reporting currency at the rates of exchange prevailing at the time when the original investments were made.

1.18 Derivative instruments and hedge accounting

- (a) In case of forward contracts, to which AS 11, “The Effects of Changes in Foreign Exchange Rates” applies, the difference between the forward rate and the exchange rate on the date of the contract is recognized as income or expense over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the period in which the exchange rates change.
- (b) Foreign currency forward contracts, to which AS 11 does not apply, hedge accounting principles set out in AS 30 “Financial Instruments: Recognition and Measurement” are adopted w.e.f. 01st April, 2011 to the extent they do not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements. These transactions comprise of forward contracts taken to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions and designated as cash flow hedges and valued at fair value. Changes in the fair value of these forward contracts that are effective hedges are recognized directly in cash flow hedge reserve account and the ineffective portion is recognized in the statement of profit and loss.

Amount accumulated in cash flow hedge reserve account is reclassified to the statement of profit and loss in the same period during which the forecasted transaction materialize. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedge reserve account is immediately transferred to the statement of profit and loss for the period.

1.19 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources for which reliable estimate can be made. Liabilities which are of a contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 2 : SHARE CAPITAL		
Authorised		
200,000,000 (previous year 150,000,000) equity shares of ₹ 5 each	100.00	75.00
2,500,000 (previous year 2,500,000) preference shares of ₹ 100 each	25.00	25.00
	125.00	100.00
Issued		
169,236,720 (previous year 84,625,360) equity shares of ₹ 5 each	84.62	42.31
Subscribed and fully paid-up		
169,222,720 (previous year 84,611,360) equity shares of ₹ 5 each	84.62	42.31
	84.62	42.31
Forfeited shares		
Amount originally paid up on 14,000 (previous year 14,000) equity shares of ₹ 5 each forfeited * [Amount ₹ 35,000/- (previous year ₹ 35,000/-)]	*	*
	84.62	42.31

Notes:

- (i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31-Mar-2014		As at 31-Mar-2013	
	Number	₹ in Crores	Number	₹ in Crores
As at the beginning of the year	84,611,360	42.31	84,611,360	42.31
Add: Bonus issued during the year	84,611,360	42.31	-	-
Outstanding at the end of the year	169,222,720	84.62	84,611,360	42.31

- (ii) Details of shares allotted for consideration other than cash, bonus shares and shares bought back in previous five financial years is as under:
The Company allotted 84,611,360 Equity Shares as fully paid up bonus shares of ₹ 5 each on 25-Jul-2013, pursuant to the shareholders' resolution passed on 12-Jul-2013.
- (iii) Torrent Private Limited, the holding Company, holds 86,115,472 (previous year 43,057,736) equity shares of ₹ 5 each, equivalent to 50.89% (previous year 50.89%) of the total number of equity shares, which is the only shareholder holding more than 5 % of total equity shares.
- (iv) The Company has one class of equity shares having par value of ₹ 5 each. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to shareholding.

	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 3 : RESERVES AND SURPLUS		
Capital reserve	0.71	0.71
Capital redemption reserve	3.85	3.85
Less : Utilized for issue of bonus shares during the year	(3.85)	-
	-	3.85
Securities premium account	42.80	42.80
Less : Utilized for issue of bonus shares during the year	(38.46)	-
	4.34	42.80
Cash flow hedge reserve		
Balance as per last balance sheet	9.96	(17.50)
Add : Adjustment during the year	74.38	27.46
	84.34	9.96
General reserve		
Balance as per last balance sheet	1,013.29	958.29
Add : Transfer from statement of profit and loss	76.23	55.00
	1,089.52	1,013.29
Balance in statement of profit and loss		
Balance as per last balance sheet	538.17	274.04
Add: Net profit for the year	762.34	546.42
Less: Appropriations		
Interim dividend [₹ 5.00 per share, (previous year ₹ 6.00 per share)]	84.62	50.77
Proposed dividend [₹ 5.00 per share (previous year ₹ 17.00 per share)]	84.62	143.84
Tax on distributed profits	28.76	32.68
Transfer to general reserve	76.23	55.00
Balance in statement of profit and loss	1,026.28	538.17
	2,205.19	1,608.78

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 4 : BORROWINGS			
Long-term borrowings, non-current portion			
Secured term loans :			
from banks [Note: (i)(a)]		730.72	403.19
Unsecured term loans :			
from banks		-	38.92
from others		13.74	12.43
		13.74	51.35
		744.46	454.54
Long-term borrowings, current portion			
Secured term loans :			
from banks [Note: (i)(a)]		135.00	72.44
Unsecured term loans :			
from banks		39.64	38.92
from others		2.23	2.45
		41.87	41.37
	6	176.87	113.81
Short-term borrowings			
Secured loans from banks [Note: (i)(b)]		19.62	68.68
Unsecured loans from banks		190.72	55.94
		210.34	124.62
		1,131.67	692.97

Notes:

(i) Loans are secured by:

(a) Term loans of ₹ 295.27 Crores (previous year ₹ 122.10 Crores) from banks are secured by & Term loans of ₹ 270.45 Crores (previous year ₹ 353.53 Crores) are to be secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, located at formulation manufacturing facilities, village Indrad; research facilities, village Bhat; corporate office, Ahmedabad, all in Gujarat, and manufacturing facilities, village Bhud; in Himachal Pradesh, on pari passu basis.

Term loan of ₹ 100 Crores (previous year ₹ Nil) from bank is secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, located at formulation manufacturing facilities, Dahej (SEZ); in Gujarat and Gangtok; in Sikkim, on pari passu basis along with some of the identified brands of the Company in respect of which the Company is in the process of creating the charge.

Term loan of ₹ 200 Crores (previous year ₹ Nil) from bank is secured by first equitable mortgage of free hold land located at village Rakanpur and free hold land and buildings located at Delhi, on pari passu basis along with some of the identified brands of the Company in respect of which the Company is in the process of creating the charge.

(b) Working capital facilities are secured by hypothecation of inventories and book debts.

(ii) The terms of repayment of loan obligations on principal amount repayable in yearly installments, for the secured and unsecured long-term loans are as under:

	(₹ in Crores)	
Financial year	Secured	Unsecured
2014-15	135.00	41.87
2015-16	80.13	2.99
2016-17	322.71	3.38
2017-18	104.16	3.26
2018-19	100.81	2.16
2019-20	71.00	1.55
2020-21	29.67	0.40
2021-22	22.24	-
Total	865.72	55.61

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 5 : DEFERRED TAX			
Deferred tax liabilities			
Excess of aggregate depreciation claimed under the income tax law over that debited to statement of profit and loss		74.42	76.30
Deferred tax assets			
Provision for leave salary		(15.30)	(13.32)
Provision for gratuity		(0.64)	(2.52)
Provision for bonus		(2.12)	(2.02)
Provision for doubtful debts		(8.89)	(1.54)
Provision for doubtful claim receivables		(0.01)	(0.01)
		(26.96)	(19.41)
Deferred tax liabilities (net)		47.46	56.89
NOTE - 6 : OTHER LIABILITIES			
Long-term liabilities			
Creditors for capital goods		5.35	8.08
Security deposits		0.34	0.20
Derivative financial instruments		3.92	1.48
		9.61	9.76
Current liabilities			
Current maturities of long-term debt	4	176.87	113.81
Interest accrued but not due on borrowings		3.68	3.05
Unclaimed dividend (not due)		0.92	1.03
Creditors for capital goods		38.21	21.12
Payables for Employee Benefits		43.36	34.01
Trade advances and deposits		14.34	23.71
Payables to statutory and other authorities		19.54	13.88
Book overdraft		4.17	24.71
Advance from related parties		20.83	87.21
Derivative financial instruments		13.82	6.29
Other payables		1.98	1.05
		337.72	329.87
		347.33	339.63
NOTE - 7 : PROVISIONS			
Long-term provisions			
Provision for employee benefits			
Gratuity	28	1.87	7.44
Leave benefits		37.24	32.80
		39.11	40.24
Provision for sales returns	29	35.29	30.77
		74.40	71.01
Short-term provisions			
Provision for employee benefits			
Leave benefits		7.78	6.39
Long-term compensation		-	0.02
		7.78	6.41
Provision for sales returns	29	32.41	33.14
Proposed dividend		84.62	143.84
Tax on distributed profits		14.38	24.45
		139.19	207.84
		213.59	278.85

NOTE - 8 : FIXED ASSETS

(₹ in Crores)

Particulars	Gross Block (At Cost)				Depreciation and Amortization				Net Block	
	As at 1-Apr-2013	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-2014	As at 1-Apr-2013	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-2014	As at 31-Mar-2014	As at 31-Mar-2013
TANGIBLES										
Land										
Freehold	116.02	0.03	-	116.05	-	-	-	-	116.05	116.02
Leasehold	43.76	2.43	-	46.19	0.32	0.83	-	1.15	45.04	43.44
Buildings	294.20	18.46	2.61	310.05	59.26	8.79	0.06	67.99	242.06	234.94
Plant and equipment	549.55	88.95	3.53	634.97	239.52	52.51	3.03	289.00	345.97	310.03
Furniture and fixtures	34.35	2.07	0.45	35.97	20.16	2.50	0.39	22.27	13.70	14.19
Vehicles	16.17	0.95	5.25	11.87	5.71	1.37	2.77	4.31	7.56	10.46
Office equipment	41.26	2.69	0.49	43.46	30.76	3.85	0.44	34.17	9.29	10.50
Electric equipment	84.00	12.00	0.40	95.60	38.59	5.51	0.22	43.88	51.72	45.41
(A)	1,179.31	127.58	12.73	1,294.16	394.32	75.36	6.91	462.77	831.39	
Previous Year	964.99	230.56	16.24	1,179.31	336.40	67.77	9.85	394.32		784.99
INTANGIBLES										
Computer softwares	24.13	3.00	-	27.13	18.18	4.18	-	22.36	4.77	5.95
Product licenses	0.44	0.01	0.45	-	-	0.05	0.05	-	-	0.44
(B)	24.57	3.01	0.45	27.13	18.18	4.23	0.05	22.36	4.77	
Previous Year	22.11	2.46	-	24.57	14.40	3.78	-	18.18		6.39
TOTAL (A+B)	1,203.88	130.59	13.18	1,321.29	412.50	79.59	6.96	485.13	836.16	
Previous Year	987.10	233.02	16.24	1,203.88	350.80	71.55	9.85	412.50		791.38

Notes:

(i) Additions to Research and Development assets during the year are as under :

(₹ in Crores)

Particulars	Year ended 31-Mar-2014	Year ended 31-Mar-2013
Buildings	0.26	0.41
Plant and equipment [including laboratory equipment]	5.19	3.48
Electrical equipment	0.05	0.13
Furniture and fixtures	0.66	0.35
Office equipment	0.18	0.08
Vehicles	0.01	0.80
Intangibles being softwares	0.68	0.03
Total	7.03	5.28

(ii) Pro-rata cost of assets owned jointly with Torrent Power Limited, a Company under same management are as under:

(₹ in Crores)

Particulars	Proportion of holding	As at 31-Mar-2014	As at 31-Mar-2013
Freehold land	50%	23.79	23.79
Freehold land	30%	35.66	35.66
Buildings	30%	0.11	0.11

(iii) Depreciation and amortization for the year includes ₹ 0.12 Crores (previous year ₹ 0.05 Crore) transferred to capital work-in-progress.

	No. of Units	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 9 : INVESTMENTS			
Non-current [valued at cost]			
Trade investment in subsidiaries, unquoted			
Zao Torrent Pharma	23802	58.80	58.80
fully paid-up equity shares of Russian Roubles 100 each			
Less : Provision for diminution in value		23.08	23.08
		35.72	35.72
Torrent Do Brasil Ltda	19144418	31.11	31.11
fully paid-up equity shares (Quotas) of Brazilian Reai 1 each			
Torrent Pharma GmbH : equity capital	-	23.37	23.37
Torrent Pharma Inc.	12000	4.99	4.99
fully paid-up common Stock of USD 100 each			
Torrent Pharma Philippines Inc	55852	0.92	0.92
fully paid-up equity shares of Philippines Pesos 200 each			
Laboratorios Torrent , S.A. De C.V.	74741	27.99	27.99
fully paid-up equity shares of Mexican Pesos 1000 each			
Torrent Australasia Pty Limited	675000	0.30	0.30
partly paid-up common stock of Australian Dollar (AUD) 1 each, AUD 0.1282 paid each			
Torrent Pharma Canada Inc.	334279	1.49	1.49
fully paid-up equity shares of Canadian Dollar 1 each			
Torrent Pharma SRL	97000	6.27	6.27
fully paid-up equity shares of Euro 10 each			
Torrent Pharma (UK) Ltd.	225000	1.68	1.68
fully paid-up equity shares of United Kingdom's Sterling 1 each			
Torrent Pharma (Thailand) Co.Ltd.	1880000	1.59	0.74
fully paid-up equity shares of 5 Thai baht each	[1000000]		
Laboratories Torrent (Malaysia) SDN BHD	500000	0.77	0.77
fully paid-up equity shares of 1 Malaysian Ringgit each			
Opening Pharma France S.A.S.	1	0.09	-
fully paid-up equity shares of 1 Euro each			
		136.29	135.35
Trade investment in partnership firms [Note (iii)]			
Torrent Pharmaceuticals (Sikkim)		13.06	12.12
Trade investments, unquoted			
GPC Cayman Investors I Ltd. - fully paid-up equity shares of USD 10 each	820601	37.49	37.49
Less: Provision for diminution in value		37.49	37.49
		-	-
Shivalik Solid Waste Limited - fully paid-up equity shares of ₹ 10 each	20000	0.02	0.02
		0.02	0.02
Non-trade investments, unquoted			
National savings certificates		0.01	0.01
		149.38	147.50

	No. of Units	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
Current investments [valued at lower of cost and fair value]			
Units of mutual fund schemes - Debt funds [Note (ii)]			
ICICI Prudential Liquid - Regular Plan - Growth	1002375	19.00	-
Birla Sun Life Cash Plus-Insti.Prem.-Growth	1925449	39.40	15.76
	[840334]		
Tata Liquid Fund Plan A - Growth	46634	11.02	-
IDFC Cash Fund - Regular Plan - Growth	253747	39.50	-
Kotak Liquid Scheme Plan A - Growth	11792	3.06	-
DSP BlackRock Liquidity Fund - Insti. Plan - Growth	114587	21.00	-
HDFC Liquid Fund - Growth	15630936	39.50	-
		172.48	15.76
Corporate deposit with HDFC Limited		-	27.00
		172.48	42.76
Aggregate unquoted investments		321.86	190.26
Notes:			
(i) Aggregate provision for diminution in value of investments		60.57	60.57
(ii) Aggregate NAV of investment in mutual funds		172.85	15.79
(iii) Disclosures in respect of investment in partnership firms:			

(₹ in Crores)			
Name of the firm	Name of Partner	Share in Partnership	Capital
Torrent Pharmaceuticals (Sikkim)	Torrent Pharmaceuticals Limited	97%	13.06
	Torrent Employee's Welfare Trust	3%	0.40

	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 10 : LOANS AND ADVANCES		
[Unsecured and considered good, unless otherwise stated]		
Non-current loans and advances		
Capital advances	83.59	42.04
Security deposits	9.99	9.85
Other advances recoverable in cash or kind or for value to be received	1.14	1.31
Advance tax paid, net of provisions	11.77	0.16
	106.49	53.36
Current loans and advances		
Security deposits	0.02	0.02
Loans and advances to related parties	14.88	13.11
Balance with VAT / excise and customs department	0.54	0.06
Other advances recoverable in cash or kind or for value to be received	65.44	56.18
	80.88	69.37
	187.37	122.73

	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 11 : OTHER ASSETS		
[Unsecured and considered good, unless otherwise stated]		
Non-current assets		
Derivative financial instruments	60.74	23.90
Current assets		
Export benefits receivable	50.02	21.46
Claims receivable : indirect tax / insurance		
Considered good	62.69	56.34
Considered doubtful	0.02	0.02
Less : Allowance for doubtful claims receivable	0.02	0.02
	62.69	56.34
Interest accrued on loans and deposits	4.96	8.87
Derivative financial instruments	70.33	58.74
Fixed assets held for sale (At lower of cost or net realisable value)	0.54	0.25
	188.54	145.66
	249.28	169.56
NOTE - 12 : INVENTORIES		
[At lower of cost and net realizable value]		
Raw materials	375.83	332.94
Packing materials	28.47	43.33
Work in progress	108.53	122.89
Finished goods	151.27	164.84
Stock-in-trade	30.41	33.09
	694.51	697.09
NOTE - 13 : TRADE RECEIVABLES		
Debts less six months from due date		
Considered good [Note (i) and (ii)]	1,191.26	787.42
Considered doubtful	5.92	-
Less : Allowance for doubtful trade receivables	5.92	-
	1,191.26	787.42
Debts over six months from due date		
Considered good [Note (ii)]	126.17	43.85
Considered doubtful	20.26	4.54
Less : Allowance for doubtful trade receivables	20.26	4.54
	126.17	43.85
	1,317.43	831.27
Notes:		
(i) Trade receivables includes debts due from Torrent Power Limited, a Company under the same management as per section 370 (1B) of The Companies Act, 1956	0.01	-
(ii) Trade receivables includes debts due from group companies as below:		
Considered good		
Debts over six months from due date	110.89	19.66
Other debts	1,011.84	579.82
	1,122.73	599.48

	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 14 : CASH AND CASH EQUIVALENTS		
Cash on hand	0.07	0.06
Balances with banks	28.85	14.01
Fixed deposits	188.52	262.38
Balances with banks for unclaimed dividend	0.92	1.03
Balances with banks held as margin money	0.11	0.26
Term deposits lodge with banks as securities	0.02	0.02
	218.49	277.76

Note: Cash and cash equivalents stated above excludes investment in mutual funds and corporate deposits disclosed under Note - 9 : Current investments as per requirements of AS 13 "Accounting for Investments".

	Notes	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
NOTE - 15 : REVENUE FROM OPERATIONS			
Sales			
Sales in india		1,462.32	1,277.72
Sales outside india		1,765.68	1,346.93
		3,228.00	2,624.65
Less : Excise duties	30	7.38	7.10
		3,220.62	2,617.55
Operating Income			
Export benefits		52.10	30.05
Income from product registration dossiers		18.33	48.15
Compensation and settlement income		13.65	12.04
Patent assignment income		41.52	29.41
Other operating income		18.65	29.03
		144.25	148.68
		3,364.87	2,766.23
NOTE - 16 : OTHER INCOME			
Interest income		23.94	39.45
Net gain on sale of current investments		10.54	8.69
Net foreign exchange gain	35	-	6.58
Share of profit from partnership firms		0.94	69.50
Royalty income		-	5.94
Other non-operating income		0.12	1.51
		35.54	131.67
NOTE - 17 : COST OF MATERIALS CONSUMED			
Raw materials		741.27	683.62
Packing materials		134.81	113.81
		876.08	797.43
NOTE - 18 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Opening stock			
Finished goods		164.84	67.28
Stock-in-trade		33.09	67.64
Work-in-progress		122.89	75.47
		320.82	210.39
Less : Closing stock			
Finished goods		151.27	164.84
Stock-in-trade		30.41	33.09
Work-in-progress		108.53	122.89
		290.21	320.82
Net (increase) / decrease in stock		30.61	(110.43)

	Notes	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
NOTE - 19 : EMPLOYEES BENEFITS EXPENSE			
[Other than those included in pre-operative expenses]			
Salaries, wages and bonus		373.81	322.80
Contribution to provident and other funds		27.97	23.66
Gratuity cost	28 (c)	5.49	10.35
Staff welfare expenses		11.63	9.53
		418.90	366.34
NOTE - 20 : FINANCE COST			
[Other than those included in pre-operative expenses]			
Interest expense		34.05	28.50
Other borrowing cost		3.76	0.29
Net foreign exchange loss, to the extent considered as finance cost		20.63	7.72
		58.44	36.51
NOTE - 21 : OTHER EXPENSES			
[Other than those included in pre-operative expenses]			
Power and fuel		70.93	58.58
Stores and spares consumed		54.91	40.24
Cost of outsourced manpower		35.56	24.69
Job work charges		14.27	14.64
Laboratory goods and testing expenses		40.86	27.93
Clinical research expense		13.08	13.54
Excise duties	30	4.00	5.02
Repairs and maintenance			
Machinery		10.06	7.47
Buildings		6.15	4.21
Others		3.62	3.42
		19.83	15.10
Selling, publicity and medical literature expenses		279.20	241.35
Commission on sales		17.70	14.48
Sales and turnover taxes		6.62	6.25
Allowance for doubtful debts [net of bad debts written-off ₹ 0.20 Crores (previous year ₹ 1.31 Crores)]		21.84	1.84
Travelling, conveyance and vehicle expenses		63.32	51.71
Liaison support services		99.28	62.90
Compensation expense [net of reversal ₹ 37 Crores (previous year ₹ Nil)]		(30.40)	65.90
Communication expenses		8.67	8.14
Printing and stationery expenses		3.84	3.14
Royalty Expense		1.22	0.64
Rent		5.99	5.16
Rates and taxes		0.43	0.92
Registration expenses		16.02	5.19
Insurance		4.92	4.82
Net foreign exchange loss	34	49.01	-
Loss on sale / discard / write-off of fixed assets		3.87	5.11
Provision / (reversal) on asset held for sale		0.29	-
Auditors remuneration and expenses			
Audit fees		0.16	0.16
Other services		0.26	0.25
Out of pocket expenses		0.01	0.01
		0.43	0.42
Cost audit fees		0.06	0.05
Commission to non executive directors		9.54	5.67
Donation	33	15.03	9.30
General charges		54.89	48.49
		885.21	741.22

NOTE - 22 : EARNINGS PER SHARE

The basic and diluted Earnings Per Share [EPS] are:

			(₹ in Crores)	
			Year ended 31-Mar-2014	Year ended 31-Mar-2013
Net profit for the year	(a)	(₹ in Crores)	762.34	546.42
Weighted average number of equity shares	(b)	(Nos.)	169,222,720	84,611,360
EPS (basic and diluted) *	(a) / (b)	(₹)	45.05	32.29
Nominal value per equity share		(₹)	5.00	5.00

* The earnings per share has been restated for the previous year consequent to issue of bonus shares in the ratio of 1:1 on 25-Jul-2013.

NOTE - 23 : CAPITAL AND OTHER COMMITMENTS

			(₹ in Crores)	
			As at 31-Mar-2014	As at 31-Mar-2013
(a) Estimated amount of unexecuted capital contracts [net of advances] not provided for:			128.28	251.00
(b) Uncalled liability on partly paid shares of Torrent Australasia Pty Ltd., a wholly owned subsidiary. [Australian Dollar (AUD) 0.06 Crores (previous year AUD 0.06 Crores)]			3.26	3.34
			131.54	254.34

NOTE - 24 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of :

(a) Claims against the Company not acknowledged as debts				
Disputed demand of income tax for which appeals have been preferred			5.25	5.25
Disputed employee state insurance contribution liability under E.S.I. Act, 1948			7.30	5.80
Disputed cases for supply of goods and services			0.19	40.97
Disputed demand of excise and service tax			32.41	37.93
Disputed demand of local sales tax and C.S.T.			0.19	0.17
Disputed cases at labour court / industrial court			2.86	2.22
			48.20	92.34
Against the above, the Company has paid ₹ 0.28 Crores (previous year ₹ 8.16 Crores). The expected outflow will be determined at the time of final outcome in respect of the concerned matter. No amount is expected to be reimbursed.				
(b) The Company has issued guarantees aggregating USD 0.6 crore (previous year Nil) to secure lines of credit to its wholly owned subsidiaries. The outstanding amount of liabilities by the subsidiaries as on balance sheet date, converted at closing exchange rate, is			36.06	-
			84.26	92.34

NOTE - 25 : ACQUISITION OF IDENTIFIED BRANDED FORMULATION BUSINESS OF ELDER PHARMACEUTICALS LIMITED

The Company has entered into a definitive binding agreement, on 13-Dec-2013, with Elder Pharmaceuticals Limited to acquire its Identified Branded Formulations Business in India and Nepal on a going concern basis for a consideration of ₹ 2004 crores. Both the parties are in the process of taking applicable regulatory approvals and satisfying with various Conditions Precedent.

NOTE - 26 : LOANS TO GROUP COMPANIES

(a) The details of loans given by the Company to its wholly owned subsidiaries are as under : (₹ in Crores)

Name of subsidiary	Loan given		Maximum Amount outstanding during the year	Balance as at	
	2013-14	2012-13		31-03-2014	31-03-2013
Opening Pharma France S.A.S.	10.64	-	11.05	11.05	-
Torrent Pharma Philippines Inc.	-	-	3.33	3.01	2.72
Torrent Pharma Inc.	-	77.62	4.89	-	4.90
Total	10.64	77.62		14.06	7.62

(b) Other than above, the Company has not given any loans or advances in the nature of loan to any of its subsidiaries and associates or firms / companies in which Directors are interested.

(c) There are no loans where either repayment schedule is not prescribed or repayment is scheduled beyond seven years.

(d) There are no loans where either no interest is charged or interest is below the rate specified in section 372A of the Companies Act, 1956.

NOTE - 27 : MICRO, SMALL AND MEDIUM ENTERPRISES

Disclosures required by the Micro, Small and Medium Enterprises Development [MSMED] Act, 2006 are as under :

(₹ in Crores)

	31-Mar-2014	31-Mar-2013
(a) (i) The principal amount remaining unpaid at the end of the year	0.93	0.56
(ii) Interest due on principal remaining unpaid at the end of the year	-	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year	0.65	0.29
(ii) Interest actually paid under Section 16 of the MSMED Act	0.01	0.01
(c) Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms	0.01	0.01
(d) Total interest accrued during the year and remaining unpaid	0.01	0.01

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

NOTE - 28 : GRATUITY BENEFIT PLAN

The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is accounted as per Accounting Standard 15 (revised 2005) "Employee Benefits".

General Description of the Plan :

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

	Year ended 31-Mar-2014	Year ended 31-Mar-2013
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at the beginning of the year	48.47	37.11
Current service cost	6.63	5.75
Interest cost	3.88	3.15
Liabilities transferred in	-	0.75
Actuarial (gain) / loss	0.17	5.24
Benefits paid directly by the employer	(0.26)	(0.13)
Benefits paid from the fund	(3.29)	(3.40)
Obligations at the end of the year	55.60	48.47
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Plan assets at the beginning of the year, at fair value	41.03	34.79
Expected return on plan assets	4.41	3.70
Actuarial gain / (loss)	0.58	(0.06)
Contributions	11.00	6.00
Benefits paid	(3.29)	(3.40)
Plan assets at the end of the year	53.73	41.03
Actual return on plan assets	4.99	3.64
(c) Gratuity cost for the year :		
Current service cost	6.63	5.75
Interest cost	3.88	3.15
Expected return on plan assets	(4.41)	(3.70)
Net Actuarial (gain) / loss	(0.41)	5.30
Net gratuity cost	5.69	10.50

		(₹ in Crores)	
		Year ended 31-Mar-2014	Year ended 31-Mar-2013
(d)	(i) Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :		
	Obligations at the end of the year	55.60	48.47
	Plan assets at the end of the year, at fair value	53.73	41.03
	(Asset) / Liability recognised in Balance sheet	1.87	7.44
	(ii) Experience adjustments gain / (loss)		
	Plan liabilities	(4.79)	(3.64)
	Plan assets	0.58	(0.06)
(e)	Expected contribution for the next year	12.00	12.00
(f)	Assumptions		
	Discount rate	9.29%	8.00%
	Expected rate of return on plan assets	10.74%	10.74%
	Salary escalation rate	10.00%	10.00%

Expected long term productivity gains & long term risk-free real rate of interest have been used as guiding factors to determine long term salary growth.

Future mortality rates are obtained from relevant table of Indian Assured Lives Mortality (2006-08) Ultimate.

(g) Data for defined benefit obligation and fair value of plan assets are as under :

(₹ in Crores)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Present value of defined benefit obligations at the end of the year [independent actuary]	26.42	31.98	37.11	48.47	55.60
Fair value of plan assets at the end of the year	25.10	32.16	34.79	41.03	53.73
(Net assets)/ liability at the end of year	1.32	(0.18)	2.32	7.44	1.87

(h) Investment details of plan assets :

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited who has invested the funds substantially as under :

	As at 31-Mar-2014	As at 31-Mar-2013
Equity Instruments	22.26%	22.74%
Corporate Bonds	46.78%	45.05%
Government Securities	14.91%	14.05%
Fixed Deposits with Banks	16.05%	18.17%

NOTE - 29 : PROVISION FOR SALES RETURNS

The Company as a trade practice accepts returns from market for formulations which are primarily in the nature of expired or near expiry products. Provision for such returns estimated on the basis of historical experience, market conditions and specific contractual terms and are provided for. Details of the provision is as under :

		(₹ in Crores)	
		As at 31-Mar-2014	As at 31-Mar-2013
	Opening provision	63.91	61.20
	Add: Additional provision	33.17	36.28
	Less: Actual returns during the year	29.38	33.57
	Closing provision	67.70	63.91

NOTE - 30 : EXCISE DUTIES

Excise duties shown as deduction from domestic sales represents the amount of excise duty collected on sales. Excise duty expense under Note -21, "Other Expenses", represents (i) the difference between excise duty element in closing stock and opening stock, and (ii) excise duty paid on samples and on inventory write-off, which is not recoverable from sales.

(₹ in Crores)

	Year ended 31-Mar-2014	Year ended 31-Mar-2013
NOTE - 31 : PRE-OPERATIVE EXPENSES		
Pre-operative expenses allocated to projects during the year (included in capital work-in-progress & fixed assets) are as under:		
Employee benefits expenses		
Salaries, wages and bonus	13.16	3.62
Contribution to provident and other funds	1.03	0.36
Gratuity cost	0.20	0.15
Welfare expenses	0.55	0.14
	14.94	4.27
Power and fuel	6.48	0.33
Cost of outsourced manpower	1.62	0.07
Travelling, conveyance and vehicle expenses	1.29	0.31
Communication expenses	0.05	0.01
Printing and stationery expenses	0.21	0.03
Insurance	0.33	0.16
Rent	0.11	0.03
Depreciation	0.12	0.05
Finance costs	24.49	4.96
General charges	1.97	0.72
	51.61	10.94
NOTE - 32 : RESEARCH AND DEVELOPMENT EXPENSES		
(a) Break-up of research and development expenses included in statement of profit and loss under below heads:		
Operating income:		
Government grant income [Refer Note (b)]	0.68	0.31
Material cost - Exhibit batches	8.49	4.52
Employee benefits expenses:		
Salaries, wages and bonus	50.20	46.85
Contribution to provident and other funds	4.01	3.87
Gratuity cost	1.78	1.64
Welfare expenses	1.83	1.35
	57.82	53.71
Other expenses:		
Power and fuel	3.91	3.79
Stores and spares consumed	7.09	5.79
Cost of outsourced manpower	1.76	1.65
Laboratory goods and testing expenses	18.40	9.83
Clinical research expenses	12.14	11.27
Repairs and maintenance	3.57	2.78
Travelling, conveyance and vehicle expenses	2.54	2.59
Communication expenses	0.80	0.72
Printing and stationery expenses	0.49	0.39
Insurance	0.28	0.30
Rates and taxes	0.13	0.12
Interest on fixed period loans	0.45	0.46
General charges	13.79	13.53
	130.98	111.14

- (b) The Government grant income during the year represents grant received from Biotechnology Industry Research Assistance Council for development of Diiodothyronine (T2) mimetic, a New Chemical Entities [NCE] project.
- (c) Depreciation and amortization includes ₹ 13.81 crore (previous year ₹14.85 crore) pertaining to research and development fixed assets.
- (d) Capital work in progress and advances for capital expenditure on research and development assets are as under :

(₹ in Crores)

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
Capital work in progress	0.79	1.42
Advances for Capital expenditure	0.27	0.19
Total	1.06	1.61

(₹ in Crores)

	Year ended 31-Mar-2014	Year ended 31-Mar-2013
NOTE - 33 : DONATION TO POLITICAL PARTIES		
Donation includes political contributions as under:		
Bhartiya Janata Party	4.00	2.00
Indian National Congress	1.00	1.50
Sikkim Democratic Front	0.30	-
	5.30	3.50
NOTE - 34 : FOREIGN EXCHANGE LOSS / (GAIN)		
Foreign exchange loss / (gain) included in the net profit for the year :		
Net foreign exchange loss / (gain), included in other expenses (Note - 21) / other income (Note - 16) :	49.01	(6.58)
(a) Add: Net foreign exchange loss on foreign currency borrowings to the extent regarded as an adjustment to finance cost, included in Note 20.	20.63	7.72
(b) Less: MTM on forward exchange contracts to hedge the foreign currency risk of highly probable forecast transactions accounted as per AS 30	48.80	(37.01)
Total foreign exchange loss / (gain) as per AS 11	20.84	38.15

NOTE - 35 : NET FOREIGN CURRENCY HEDGE POSITION

Net foreign currency positions outstanding as at 31-Mar-2014 under derivatives contracts for hedging are summarised below:

(Amount in Crores)

Hedged item / nature of derivative contracts	Net position under derivative contracts			Unhedged foreign currency exposures	
	Buy/Sell	Currency	31-Mar-2014	Currency	31-Mar-2014
1. Foreign currency loan - payable					
Forward exchange contracts	Buy	USD - INR	3.88	USD	-
	Buy	JPY - USD	33.69		
Currency cum interest rate swap	Buy	USD - INR	9.41		
	Buy	JPY - USD	33.69		
2. Foreign currency interest - payable	-	-	-	JPY	0.24
[Refer Note (b)]	-	-	-		
3. Trade payables	Buy	EUR - USD	0.01	USD	0.02
	Buy	JPY - USD	0.19	EUR	0.76
				RUB	2.46
				AUD	0.00
				THB	0.04
				CAD	0.00
4. Foreign currency receivables					
Forward exchange contracts	Sell	USD - INR	12.79	USD	1.67
[Refer Note (c)]	Sell	EUR - USD	3.41		
	Sell	RUB - USD	14.09		
	Sell	GBP - USD	0.30		

Notes :

- (a) INR = Indian Rupees, reporting currency JPY = Japanese Yen AUD = Australian Dollars
 USD = United States Dollars GBP = Great Britain Pound THB = Thai Baht
 EUR = Euro RUB = Russian Rouble CAD = Canadian Dollar
- (b) Foreign currency loan - payable, outstanding as on 31-March-2014 JPY 33.69 Crores (Previous year JPY 67.39 crores) bears a floating rate of interest linked to JPY Libor and interest is payable in JPY thereon. The floating interest rate basis and interest are partially unhedged for the outstanding term of the loan.
- (c) The following are outstanding foreign exchange forward contracts on receivables, which have been designated as cash flow hedges, as at 31-Mar-2014:

Foreign currency	Buy/Sell	Net position (Amount in Crores)	Fair value gain/(loss) (₹ in Crores)
		31-Mar-2014	31-Mar-2014
USD	Sell	28.05	94.84
EUR	Sell	6.02	(10.50)
Balance in cash flow hedge reserve			84.34

NOTE - 36 : BREAK-UP OF IMPORTED AND INDIGENOUS CONSUMPTION

(₹ in Crores)

	Year ended 31-Mar-2014		Year ended 31-Mar-2013	
	₹ in Crores	%	₹ in Crores	%
(a) Raw Materials				
Imported	227.32	31%	198.67	29%
Indigenous	513.95	69%	484.95	71%
	741.27	100%	683.62	100%
(b) Components and spares parts				
Imported	6.08	11%	2.96	7%
Indigenous	48.83	89%	37.28	93%
	54.91	100%	40.24	100%

NOTE - 37 : CONSUMPTION OF RAW MATERIALS

(₹ in Crores)

	Year ended 31-Mar-2014	Year ended 31-Mar-2013
Dry Insulin MU	184.95	164.64
Others	556.32	518.98
	741.27	683.62

NOTE - 38 : VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(a) Raw Materials and Packing Material	252.92	214.18
(b) Components and Spares Parts	13.99	7.12
(c) Capital Goods	74.68	22.02

NOTE - 39 : EXPENDITURE IN FOREIGN CURRENCY

(a) Books and Periodicals	1.16	0.50
(b) Traveling	3.23	3.60
(c) Professional Fees	2.66	3.85
(d) Interest Expenses	5.45	6.72
(e) Royalty Expenses	1.20	0.64
(f) Liaison Support Services	96.45	61.31
(g) Others	72.26	153.50

NOTE - 40 : EARNINGS IN FOREIGN EXCHANGE

(a) F.O.B. value of exports	1,566.48	1,211.43
(b) Interest	0.27	0.29
(c) Other income [Product registration dossiers and others]	119.49	111.10

NOTE - 41 : SEGMENT REPORTING

Accounting Standard 17 requires segment information to be presented on the basis of consolidated financial statements. Accordingly segment information is disclosed in consolidated financial statements.

NOTE - 42 : REGROUPING

Previous year figures have been regrouped / recasted, wherever necessary, so as to make them comparable with those of the current year.

Note - 43 : RELATED PARTIES AND TRANSACTIONS

The disclosures pertaining to related parties and transactions therewith are set out in the table below :

(₹ in Crores)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Key Management Personnel		Enterprises Controlled by Key Management Personnel/Relatives of Key Management Personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(A) Nature of Transactions												
Sale of finished goods	1,310.87	945.37	-	-	0.28	0.27	-	-	-	-	1,311.15	945.65
Torrent Do Brasil Ltda.	229.04	212.76	-	-	-	-	-	-	-	-	229.04	212.76
Torrent Pharma Inc.	683.83	360.35	-	-	-	-	-	-	-	-	683.83	360.35
Heumann Pharma GmbH & Co. Generica KG	148.59	106.36	-	-	-	-	-	-	-	-	148.59	106.36
Torrent Pharma S.R.L.	71.48	107.46	-	-	-	-	-	-	-	-	71.48	107.46
Torrent Power Limited	-	-	-	-	0.28	0.27	-	-	-	-	0.28	0.27
Others	177.94	158.44	-	-	-	-	-	-	-	-	177.94	158.44
Sale of material	-	-	-	1.97	-	-	-	-	-	-	-	1.97
Torrent Pharmaceuticals (Sikkim)	-	-	-	1.97	-	-	-	-	-	-	-	1.97
Sale of dossiers	1.02	3.47	-	-	-	-	-	-	-	-	1.02	3.47
Torrent Pharma GmbH	1.02	3.47	-	-	-	-	-	-	-	-	1.02	3.47
Purchase of material, consumables etc	0.11	0.48	-	-	0.03	1.04	-	-	-	-	0.14	1.52
Torrent Pharma Inc.	-	0.22	-	-	-	-	-	-	-	-	-	0.22
Torrent Cables Limited	-	-	-	-	0.03	1.04	-	-	-	-	0.03	1.04
Torrent Pharma GmbH	0.10	0.14	-	-	-	-	-	-	-	-	0.10	0.14
Others	0.01	0.12	-	-	-	-	-	-	-	-	0.01	0.12
Purchase of finished goods	-	-	-	203.14	-	-	-	-	-	-	-	203.14
Torrent Pharmaceuticals (Sikkim)	-	-	-	203.14	-	-	-	-	-	-	-	203.14
Remuneration to key management personnel	-	-	-	-	-	-	17.77	15.25	-	-	17.77	15.25
Samir Mehta, Executive Vice Chairman	-	-	-	-	-	-	7.53	7.53	-	-	7.53	7.53
Sudhir Mehta, Chairman	-	-	-	-	-	-	7.50	5.00	-	-	7.50	5.00
Dr. Chaitanya Dutt, Director (Research & Development)	-	-	-	-	-	-	2.74	2.72	-	-	2.74	2.72
Contribution to Gratuity / Superannuation funds	-	-	16.02	11.51	-	-	-	-	-	-	16.02	11.51
TPL Employees Group Gratuity Trust	-	-	11.00	6.00	-	-	-	-	-	-	11.00	6.00
TPL Employees Superannuation Trust	-	-	5.02	5.51	-	-	-	-	-	-	5.02	5.51
Lease rent paid	-	-	-	-	0.02	0.02	-	-	-	-	0.02	0.02
Torrent Private Limited	-	-	-	-	0.02	0.02	-	-	-	-	0.02	0.02
Services received	96.45	61.30	-	-	10.15	5.43	-	-	14.07	10.91	120.67	77.65
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	14.07	10.91	14.07	10.91
Torrent Pharma S.R.L.	88.10	46.89	-	-	-	-	-	-	-	-	88.10	46.89
Torrent Energy Limited	-	-	-	-	5.28	0.62	-	-	-	-	5.28	0.62
Torrent Power Limited	-	-	-	-	4.87	4.81	-	-	-	-	4.87	4.81
Others	6.66	5.63	-	-	-	-	-	-	-	-	6.66	10.45
Commission & interest paid to carrying & forwarding agents	-	-	-	-	-	-	-	-	1.31	1.22	1.31	1.22
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	1.31	1.22	1.31	1.22
Donation	-	-	-	-	-	-	-	-	8.80	4.88	8.80	4.88
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	8.00	4.35	8.00	4.35
Others	-	-	-	-	-	-	-	-	0.80	0.53	0.80	0.53
Interest income	0.27	0.29	0.33	8.59	0.07	0.04	-	-	-	-	0.66	8.92
Torrent Pharmaceuticals (Sikkim)	-	-	0.33	3.42	-	-	-	-	-	-	0.33	3.42
Torrent Pharmaceuticals (Dahej)	-	-	-	5.17	-	-	-	-	-	-	-	5.17
Opening Pharma France S.A.S.	0.22	-	-	-	-	-	-	-	-	-	0.22	-
Torrent Power Limited	-	-	-	-	0.07	0.04	-	-	-	-	0.07	0.04
Others	0.05	0.29	-	-	-	-	-	-	-	-	0.05	0.29
Interest expense	-	0.20	-	-	-	-	-	-	-	-	-	0.20
Heumann Pharma GmbH & Co. Generica KG	-	0.20	-	-	-	-	-	-	-	-	-	0.20
Fixed Asset	-	-	-	-	-	0.35	-	-	-	-	-	0.35
Torrent Power Limited	-	-	-	-	-	0.35	-	-	-	-	-	0.35

(₹ in Crores)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Key Management Personnel		Enterprises Controlled by Key Management Personnel/Relatives of Key Management Personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(A) Nature of Transactions												
Expenses reimbursement	25.14	19.27	-	-	0.01	0.02	-	-	0.24	0.21	25.39	19.50
Torrent Pharma GmbH	17.25	15.88	-	-	-	-	-	-	-	-	17.25	15.88
Heumann Pharma GmbH & Co. Generica KG	3.43	0.08	-	-	-	-	-	-	-	-	3.43	0.08
Torrent Pharma Uk Ltd	2.94	2.53	-	-	-	-	-	-	-	-	2.94	2.53
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	0.24	0.21	0.24	0.21
Torrent Power Limited	-	-	-	-	0.01	0.02	-	-	-	-	0.01	0.02
Others	1.53	0.77	-	-	-	-	-	-	-	-	1.78	1.00
Compensation expense	-	23.24	-	-	-	-	-	-	-	-	-	23.24
Torrent Pharma GmbH	-	23.24	-	-	-	-	-	-	-	-	-	23.24
Purchase of fixed assets	-	-	-	-	5.94	0.24	-	-	-	-	5.94	0.24
Torrent Power Limited	-	-	-	-	-	0.09	-	-	-	-	-	0.09
Torrent Cables Limited	-	-	-	-	5.94	0.15	-	-	-	-	5.94	0.15
Value of net assets assumed on dissolution of partnership firm	-	-	-	77.67	-	-	-	-	-	-	-	77.67
Torrent Pharmaceuticals (Dahej)	-	-	-	77.67	-	-	-	-	-	-	-	77.67
Equity contribution	0.94	20.52	-	-	-	-	-	-	-	-	0.94	20.52
Zao Torrent Pharma	-	20.52	-	-	-	-	-	-	-	-	-	20.52
Torrent Pharma (Thailand) Co.Ltd.	0.85	-	-	-	-	-	-	-	-	-	0.85	-
Others	0.09	-	-	-	-	-	-	-	-	-	0.09	-
Repayment of equity contribution by	-	13.08	-	-	-	-	-	-	-	-	-	13.08
Torrent Pharma GmbH	-	13.08	-	-	-	-	-	-	-	-	-	13.08
Repayment Fixed capital partnership firm	-	-	-	38.80	-	-	-	-	-	-	-	38.80
Torrent Pharmaceuticals (Dahej)	-	-	-	38.80	-	-	-	-	-	-	-	38.80
Repayment variable capital partnership firm	-	-	-	116.19	-	-	-	-	-	-	-	116.19
Torrent Pharmaceuticals (Sikkim)	-	-	-	71.63	-	-	-	-	-	-	-	71.63
Torrent Pharmaceuticals (Dahej)	-	-	-	44.55	-	-	-	-	-	-	-	44.55
Distribution of profit from partnership firm	-	-	-	149.14	-	-	-	-	-	-	-	149.14
Torrent Pharmaceuticals (Sikkim)	-	-	-	149.14	-	-	-	-	-	-	-	149.14
Share of profit/(loss) from partnership firm	-	-	0.94	69.50	-	-	-	-	-	-	0.94	69.50
Torrent Pharmaceuticals (Sikkim)	-	-	0.94	71.69	-	-	-	-	-	-	0.94	71.69
Others	-	-	-	(2.19)	-	-	-	-	-	-	-	(2.19)
Other income - (common services)	-	-	-	1.00	-	-	-	-	-	-	-	1.00
Torrent Pharmaceuticals (Sikkim)	-	-	-	1.00	-	-	-	-	-	-	-	1.00
Royalty income	-	-	-	5.94	-	-	-	-	-	-	-	5.94
Torrent Pharmaceuticals (Sikkim)	-	-	-	5.94	-	-	-	-	-	-	-	5.94
Loans given	11.05	77.62	-	89.73	-	-	-	-	-	-	11.05	167.35
Torrent Pharma Inc.	-	77.62	-	-	-	-	-	-	-	-	-	77.62
Opening Pharma France S.A.S.	11.05	-	-	-	-	-	-	-	-	-	11.05	-
Torrent Pharmaceuticals (Dahej)	-	-	-	84.23	-	-	-	-	-	-	-	84.23
Torrent Pharmaceuticals (Sikkim)	-	-	-	5.50	-	-	-	-	-	-	-	5.50
Repayment of loan	4.90	71.38	-	114.23	-	-	-	-	-	-	4.90	185.61
Torrent Pharma Inc.	4.90	71.38	-	-	-	-	-	-	-	-	4.90	71.38
Torrent Pharmaceuticals (Dahej)	-	-	-	114.23	-	-	-	-	-	-	-	114.23
Consideration of slump purchase	-	-	-	216.00	-	-	-	-	-	-	-	216.00
Torrent Pharmaceuticals (Sikkim)	-	-	-	216.00	-	-	-	-	-	-	-	216.00
Deposits given	-	-	-	-	0.44	1.00	-	-	-	-	0.44	1.00
Torrent Energy Limited	-	-	-	-	0.43	0.97	-	-	-	-	0.43	0.97
Others	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Recovery of expenses	1.19	-	-	0.06	-	-	-	-	0.01	0.02	1.20	0.09
Laboratories Torrent(Malaysia) SDN BHD	0.55	-	-	-	-	-	-	-	-	-	0.55	-
Torrent Pharma Inc.	0.48	-	-	-	-	-	-	-	-	-	0.48	-
Others	0.16	-	-	0.06	-	-	-	-	0.01	0.02	0.17	0.09

(₹ in Crores)

Particulars	Subsidiaries		Enterprises controlled by the Company		Holding Company/ Enterprises Controlled by the Holding Company		Key Management Personnel		Enterprises Controlled by Key Management Personnel/Relatives of Key Management Personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
(B) Balances at the end of the year												
Trade receivables	1,122.73	598.67	-	-	0.01	-	-	-	-	-	1,122.74	598.67
Torrent Pharma Inc.	524.65	199.62	-	-	-	-	-	-	-	-	524.65	199.62
Torrent Do Brasil Ltda.	258.48	161.94	-	-	-	-	-	-	-	-	258.48	161.94
Torrent Pharma S.R.L.	217.32	129.05	-	-	-	-	-	-	-	-	217.32	129.05
Torrent Power Limited	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Others	122.28	108.06	-	-	-	-	-	-	-	-	122.28	108.06
Other receivables	0.62	-	-	-	-	-	-	-	-	-	0.62	-
Laboratorios Torrent S.A. de C.V.	0.10	-	-	-	-	-	-	-	-	-	0.10	-
Torrent Pharma Inc.	0.47	-	-	-	-	-	-	-	-	-	0.47	-
Others	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Loans	14.05	7.61	-	5.50	-	-	-	-	-	-	14.05	13.11
Opening Pharma France S.A.S.	11.05	-	-	-	-	-	-	-	-	-	11.05	-
Torrent Pharma Philippines Inc.	3.00	7.61	-	-	-	-	-	-	-	-	3.00	7.61
Torrent Pharmaceuticals (Sikkim)	-	-	-	5.50	-	-	-	-	-	-	-	5.50
Interest receivable on loan to subsidiary / partnership firm	0.91	0.59	-	0.02	-	-	-	-	-	-	0.91	0.61
Torrent Pharma Philippines Inc.	0.69	0.59	-	-	-	-	-	-	-	-	0.69	0.59
Torrent Pharmaceuticals (Sikkim)	-	-	-	0.02	-	-	-	-	-	-	-	0.02
Opening Pharma France S.A.S.	0.22	-	-	-	-	-	-	-	-	-	0.22	-
Advances recoverable in cash or kind	0.91	-	0.22	0.32	1.48	1.02	-	-	0.14	1.29	2.75	2.63
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	0.14	1.29	0.14	1.29
Torrent Pharma (UK) Ltd.	0.91	-	-	-	-	-	-	-	-	-	0.91	-
Torrent Energy Limited	-	-	-	-	1.39	0.97	-	-	-	-	1.39	0.97
TPL Employees group gratuity Trust	-	-	0.22	0.32	-	-	-	-	-	-	0.22	0.32
Torrent Power Limited	-	-	-	-	0.09	0.05	-	-	-	-	0.09	0.05
Others	-	-	-	0.00	-	-	-	-	-	0.00	0.00	0.01
Trade advances	20.83	87.21	-	-	-	-	-	-	-	-	20.83	87.21
Heumann Pharma Gmbh & Co. Generica KG	18.96	64.23	-	-	-	-	-	-	-	-	18.96	64.23
Heunet Pharma Gmbh	1.87	22.98	-	-	-	-	-	-	-	-	1.87	22.98
Investments in equities	159.36	158.42	-	-	-	-	-	-	-	-	159.36	158.42
Torrent Pharma GmbH	23.37	23.37	-	-	-	-	-	-	-	-	23.37	23.37
Torrent Do Brasil Ltda.	31.11	31.11	-	-	-	-	-	-	-	-	31.11	31.11
Laboratorios Torrent S.A. de C.V.	27.99	27.99	-	-	-	-	-	-	-	-	27.99	27.99
Zao Torrent Pharma	58.79	58.79	-	-	-	-	-	-	-	-	58.79	58.79
Others	18.10	17.16	-	-	-	-	-	-	-	-	18.10	17.16
Investments in partnership firm	-	-	13.10	13.10	-	-	-	-	-	-	13.10	13.10
Torrent Pharmaceuticals (Sikkim)	-	-	13.10	13.10	-	-	-	-	-	-	13.10	13.10
Share of profit/(loss) from partnership firm	-	-	(0.03)	(0.97)	-	-	-	-	-	-	(0.03)	(0.97)
Torrent Pharmaceuticals (Sikkim)	-	-	(0.03)	(0.97)	-	-	-	-	-	-	(0.03)	(0.97)
Provision for diminution in value investment	23.08	23.08	-	-	-	-	-	-	-	-	23.08	23.08
Zao Torrent Pharma	23.08	23.08	-	-	-	-	-	-	-	-	23.08	23.08
Trade & services payables	89.92	52.41	-	-	0.86	-	-	-	0.76	0.38	91.54	52.79
Torrent Pharma GmbH	5.78	15.63	-	-	-	-	-	-	-	-	5.78	15.63
Torrent Pharma S.R.L.	71.17	14.13	-	-	-	-	-	-	-	-	71.17	14.13
Torrent Pharma Inc.	1.04	8.64	-	-	-	-	-	-	-	-	1.04	8.64
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	0.66	0.29	0.66	0.29
Zeal Pharmachem India Pvt. Ltd.	-	-	-	-	-	-	-	-	0.10	0.09	0.10	0.09
Torrent Cables Limited	-	-	-	-	0.48	-	-	-	-	-	0.48	-
Torrent Power Limited	-	-	-	-	0.37	0.00	-	-	-	-	0.37	0.00
Others	11.93	14.01	-	-	0.02	-	-	-	-	-	11.95	14.01
Other payables	-	-	-	-	-	-	16.69	14.19	-	-	16.69	14.19
Samir Mehta, Executive Vice Chairman	-	-	-	-	-	-	9.19	9.19	-	-	9.19	9.19
Sudhir Mehta, Chairman	-	-	-	-	-	-	7.50	5.00	-	-	7.50	5.00
Guarantees given	36.06	-	-	-	-	-	-	-	-	-	36.06	-
Torrent Pharma SRL (6 Million USD)	36.06	-	-	-	-	-	-	-	-	-	36.06	-

Names of related parties and description of relationship :

1	Subsidiaries and step down subsidiaries	Zao Torrent Pharma, Torrent Pharma GmbH, Torrent Do Brasil Ltda., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Heumann Pharma GmbH & Co. Generica KG, Torrent Australasia Pty Ltd, Torrent Pharma S.R.L., Laboratorios Torrent, S.A. De C.V., Heunet Pharma GmbH, Norispharm GmbH, Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co., Ltd., Torrent Pharma (UK) Ltd., Laboratories Torrent (Malaysia) SDN.BHD., Opening Pharma France S.A.S.		
2	Enterprises controlled by the Company	TPL Employee Group Gratuity Trust, TPL Employee Superannuation Trust, Torrent Phramaceuticals (Sikkim)		
3	Holding Company / Enterprises controlled by the holding Company	Torrent Private Limited, Torrent Financiers, Torrent Power Limited, Torrent Cables Limited, Torrent Power Services Pvt. Limited, Torrent Pipavav Generation Limited, Torrent Energy Limited, Torrent Power Grid Limited, Torrent Power Bhiwandi Limited, AEC Cements and Constructions Limited.		
4	Key management personnel	Shri Sudhir Mehta Chairman	Shri Samir Mehta Executive Vice Chairman	Dr. Chaitanya Dutt Director (Research & Development)
5	Relatives of key management personnel	Smt. Anita Mehta, wife Smt. Shardaben Mehta, mother Shri Varun Mehta, son Shri Jinal Mehta, son Shri Samir Mehta, brother Smt. Meena Modi, sister Smt. Nayna Shah, sister	Smt. Sapna Mehta, wife Smt. Shardaben Mehta, mother Shri Aman Mehta, son Shri Shaan Mehta, son Shri Sudhir Mehta, brother Smt. Meena Modi, sister Smt. Nayna Shah, sister	Smt. Shobha Dutt, wife Shri Umang Dutt, son Shri Uttang Dutt, son
6	Enterprises controlled by key management personnel / relatives of key management personnel	U N Mehta Charitable Trust, D N Modi Charitable Trust, Shardaben Mehta Charitable Trust, Tsunami Tours & Travels Pvt. Ltd., Torrel Cosmetics Pvt. Ltd., Zeal Pharmachem India Pvt. Ltd., Diamond Infrastructure Private Limited, U. N. Mehta Institute of Cardiology & Research Centre, Dushyant Shah Charitable Trust, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal		

As per our attached report of even date

Signatures to notes forming part of Financial Statements 1 to 43

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sudhir Mehta
Chairman

Samir Mehta
Executive Vice Chairman

Hemendra Shah
Partner

Ashok Modi
Executive Director
& Chief Financial Officer

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

Ahmedabad
9th May, 2014

Consolidated Financial Statements 2013-14

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TORRENT PHARMACEUTICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TORRENT PHARMACEUTICALS LIMITED** (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of seventeen subsidiaries, whose financial statements reflect total assets of ₹ 1,988.88 crores as at 31st March, 2014, total revenues of ₹ 2,135.86 crores and net cash flows amounting to ₹ 171.18 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
9th May, 2014

CONSOLIDATED BALANCE SHEET

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	84.62	42.31
Reserves and surplus	4	1,817.81	1,379.62
		1,902.43	1,421.93
Minority interest			
		0.40	0.37
Non-current liabilities			
Long-term borrowings	5	744.46	454.54
Deferred tax liabilities (net)	6	47.48	56.91
Other long-term liabilities	7	10.03	10.01
Long-term provisions	8	190.43	129.51
		992.40	650.97
Current liabilities			
Short-term borrowings	5	210.43	124.62
Trade payables		1,429.13	1,067.74
Other current liabilities	7	371.63	275.83
Short-term provisions	8	163.39	242.46
		2,174.58	1,710.65
TOTAL		5,069.81	3,783.92
ASSETS			
Non-current assets			
Fixed assets			
	9		
Tangible assets		846.72	797.19
Intangible assets		28.62	22.63
Capital work-in-progress		534.11	285.28
		1,409.45	1,105.10
Non-current investments	10	0.03	0.03
Deferred tax assets (net)	6	65.64	31.16
Long-term loans and advances	11	129.47	62.84
Other non-current assets	12	60.74	23.90
		1,665.33	1,223.03
Current assets			
Current investments	10	185.63	60.44
Inventories	13	1,006.06	923.86
Trade receivables	14	1,099.42	687.82
Cash and cash equivalents	15	769.42	626.97
Short-term loans and advances	11	84.95	75.95
Other current assets	12	259.00	185.85
		3,404.48	2,560.89
TOTAL		5,069.81	3,783.92
Notes forming part of the Consolidated Financial Statements		1-35	

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
9th May, 2014

Sudhir Mehta
Chairman

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Consolidated Balance Sheet

Samir Mehta
Executive Vice Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Notes	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
REVENUE			
Revenue from operations			
Sales		4,043.68	3,060.63
Less : Excise duties	27	7.38	7.10
Net sales		4,036.30	3,053.53
Operating income		148.42	157.61
Revenue from operations (net)	16	4,184.72	3,211.14
Other income	17	38.13	43.36
Total Revenue		4,222.85	3,254.50
EXPENSES			
Cost of materials consumed	18	878.02	844.81
Purchases of stock-in-trade		419.02	294.81
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(53.53)	(213.85)
Employee benefits expense	20	741.10	623.29
Finance costs	21	58.63	33.80
Depreciation, amortisation and impairment expense		87.00	82.69
Other expenses	22	1,248.63	969.86
Total Expenses		3,378.87	2,635.41
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		843.98	619.09
Exceptional items		-	37.49
PROFIT BEFORE TAX		843.98	581.60
TAX EXPENSE			
Current tax [Net of MAT credit utilized ₹ 14.94 Crores (previous year ₹ 24.78 Crores)]		224.56	173.22
Deferred tax (credit) / charge		(41.29)	(25.62)
(Excess) / short provision for tax of earlier years		(3.20)	(0.91)
		180.07	146.69
NET PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		663.91	434.91
Minority interest		0.03	2.15
NET PROFIT FOR THE YEAR AFTER MINORITY INTEREST		663.88	432.76
Earnings per share [Nominal value per equity share of ₹ 5]			
Basic	24	39.23	25.58
Diluted	24	39.23	25.58
Notes forming part of the Consolidated Financial Statements	1-35		

In terms of our report attached

Signatures to the Consolidated Statement of Profit and Loss

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sudhir Mehta
Chairman

Samir Mehta
Executive Vice Chairman

Hemendra Shah
Partner

Ashok Modi
Executive Director
& Chief Financial Officer

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

Ahmedabad
9th May, 2014

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	843.98	581.60
Adjustments for :		
Depreciation, amortization and impairment	87.00	82.69
Allowance for doubtful debts (net of bad debts)	22.84	2.91
Foreign exchange loss on borrowings	2.89	0.03
Loss on sale / discard / write-off of fixed assets	3.78	4.99
Impairment loss on valuation of fixed assets	-	7.06
Provision / (reversal) on asset held for sale	0.29	-
Provision for diminution in value of long term investment	-	37.49
(Profit) on sale of current investments	(10.55)	(8.72)
Finance cost	58.64	33.80
Interest income	(27.42)	(33.81)
Government grant	(0.68)	(0.31)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	980.77	707.73
Adjustments for changes in working capital :		
Trade receivables, loans & advances and other assets	(475.13)	(262.10)
Inventories	(82.21)	(392.29)
Trade payables, liabilities and provisions	437.66	232.64
CASH GENERATED FROM OPERATIONS	861.09	285.98
Direct taxes paid	(261.67)	(132.50)
NET CASH FROM OPERATING ACTIVITIES	599.42	153.48
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(400.08)	(292.89)
Proceeds from fixed assets sold	1.90	8.46
Profit on sale of current investments	10.55	8.72
Interest received	31.82	34.01
NET CASH USED IN INVESTING ACTIVITIES	(355.81)	(241.70)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	426.74	242.53
Repayment of long-term borrowings	(84.87)	(82.84)
Net proceeds / (repayment) of short term borrowings	72.26	(20.38)
Net capital financed to / by minority partners	-	(5.28)
Government grant	0.68	0.31
Dividend paid	(267.39)	(83.44)
Finance cost paid	(61.02)	(31.17)
NET CASH USED IN FINANCING ACTIVITIES	86.40	19.73
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	330.01	(68.49)
Effect of exchange rate changes on foreign currency cash and cash equivalents	(62.37)	(4.90)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	687.41	760.80
CASH AND CASH EQUIVALENTS AT END OF YEAR	955.05	687.41
Note: Cash and cash equivalents as at end of the year		
Cash and cash equivalents as per Note - 15	769.42	626.97
Current investments as per Note - 10	185.63	60.44
	955.05	687.41

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
9th May, 2014

Sudhir Mehta
Chairman

Ashok Modi
Executive Director
& Chief Financial Officer

Signatures to the Consolidated Cash Flow Statement

Samir Mehta
Executive Vice Chairman

Mahesh Agrawal
VP (Legal) & Company Secretary

Ahmedabad
9th May, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 1 : GROUP INFORMATION

The consolidated financial statements comprise the financial statements of the Parent Company, Torrent Pharmaceuticals Limited (TPL) and the following subsidiaries / step-down subsidiaries / partnership entity (together referred to as Group) :

Entity	Country of Incorporation
Subsidiaries [having 100% proportion of ownership interest]	
Zao Torrent Pharma	Russia
Torrent Do Brasil Ltda	Brazil
Torrent Pharma GmbH (TPG)	Germany
Torrent Pharma Inc.	USA
Torrent Pharma Philippines Inc.	Philippines
Laboratorios Torrent, S.A. de C.V.	Mexico
Torrent Australasia Pty Ltd.	Australia
Torrent Pharma Canada Inc.	Canada
Torrent Pharma (Thailand) Co., Limited.	Thailand
Torrent Pharma S.R.L.	Romania
Torrent Pharma (UK) Ltd	United Kingdom
Laboratorios Torrent (Malaysia) SDN.BHD.	Malaysia
Opening Pharma France S.A.S.	France
Step-down subsidiaries of TPG [having 100% proportion of ownership interest]	
Heumann Pharma GmbH & Co. Generica KG	Germany
Heunet Pharma GmbH	Germany
Norispharm GmbH	Germany
Partnership Firm [having 97% proportion of ownership interest]	
Torrent Pharmaceuticals (Sikkim)	India

Opening Pharma France, a wholly owned subsidiary was acquired on 19-Jun-2013.

NOTE - 2 : SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP

2.1. Basis for preparation of financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP includes Accounting Standards (AS) notified by the Central Government of India under Section 211 (3C) of The Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs), the provisions of The Companies Act, 1956, pronouncements of Institute of Chartered Accountants of India and guidelines issued by Securities and Exchange Board of India (SEBI).

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

Except where otherwise stated, the accounting policies are consistently applied.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as non current.

2.2. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgments and estimates, which it believes are reasonable under the circumstances, that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialise.

2.3. Principles of consolidation

The consolidated financial statements are prepared in accordance with principles and procedures required for preparation and presentation of consolidated financial statements as laid down under AS 21 "Consolidated Financial Statements". The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related asset is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities. Minority interest represents part of net profit / loss and net assets of entities that are not directly or indirectly, owned by The Company and is excluded and disclosed separately.

The excess / shortfall of cost to the Parent Company of its investment over its portion of equity in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the financial statements as goodwill/capital reserve.

2.4. Fixed assets, depreciation and amortization

Tangible assets

- (a) Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.
- (b) Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.
- (c) Depreciation on fixed assets is provided using the straight line method at the rates prescribed under the respective domestic laws or based on useful life of the assets as estimated by the management, whichever is higher.

The management's estimate of the useful life for various categories of fixed assets is given below:

Office buildings	58 years
Factory buildings	28 years
Plant and machinery	10 to 20 years
Laboratory equipment	5 to 20 years
Electrical equipment	5 to 20 years
Furniture and fixtures	3 to 10 years
Office equipment	10 years
Computer equipment	2 to 5 years
Vehicles	5 to 10 years

- (d) Cost of leasehold land (except for lease of long tenure) is amortized over the period of the lease. Cost of lease hold land where lease period is of long tenure and substantial rights of ownership are with lessee, is not amortized.

Intangible assets

- (a) Acquired product licenses are capitalized at costs comprising of direct costs of purchase and expenses directly attributable to the purchase of Product licenses.
- (b) Software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow there from for a period longer than one year.
- (c) Intangible assets are amortized over their estimated useful lives on a straight-line basis. The management's estimate of the useful life of various categories of intangible assets are given below:

Product license	Upto 10 years
Software	3 to 5 years

Impairment of assets

- (a) Fixed assets are reviewed for impairment losses at each balance sheet date for events or changes in circumstances indicating that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.
- (b) Fixed assets that have been retired from their active use and held for disposal, are classified as current assets, and are stated at lower of their cost and net realizable value.

2.5. Investments

- (a) Non-current investments are carried at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.
- (b) Current investments are carried at lower of cost and fair value. Diminution in value is charged to the statement of profit and loss.
- (c) Current investments readily convertible in known amount of cash and subject to insignificant risk of changes in value are classified as cash and cash equivalents for preparation of cash flow statement.

2.6. Cash flow statement

The cash flow statement is prepared as per the "Indirect Method" as set out in AS - 3 "Cash Flow Statements" issued by The Institute of Chartered Accountants of India.

2.7. Inventories

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is uncertainty in salability of an item. Costs incurred in bringing inventories to its existing location and condition are determined on the following basis:

- (a) Raw material and packing material-Purchase cost of materials on moving average basis.
- (b) Finished goods (manufactured) and work-in-progress- Cost of purchase, cost of conversion and other costs proportionately allocated determined on weighted average basis.
- (c) Finished goods (traded) - Purchase cost on moving average basis.

2.8. Revenue recognition

- (a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customer. Sales are net of discounts, sales tax, value added tax and estimated returns. Excise duty collected on sales are shown by way of deduction from sales.
- (b) Provision / accrual for sales returns, chargeback rebates and medicaid payments are estimated and provided for in the year of sale and recorded as reduction from revenue. A chargeback claim is made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the contracted price at which it is agreed to be sold to third parties. Provision / accruals for chargeback, rebates, returns and medicaid payments are estimated primarily on the basis of historical experience, market conditions and specific contractual terms. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

- (c) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- (d) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.
- (e) Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (f) Dividend income is recognized when the unconditional right to receive dividend is established.
- (g) Interest income is recognized using the time-proportionate method, based on rates implicit in the transaction.
- (h) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

2.9. Employees retirement and other benefits

(a) Short-term employee benefits:

Short term employee benefits like salaries, wages, and bonus and welfare expenses payable wholly within twelve months of rendering the service are accrued in the year in which the associated services are rendered by the employees.

(b) Long-term employee benefits:

Defined contribution plan:

Contribution in case of defined contribution plans (Provident Fund, Superannuation benefit, Social Security schemes and other fund/schemes) is charged to statement of profit and loss as and when it is incurred as employee benefits.

Defined benefit plan:

The accruing liability on account of defined benefit plans (gratuity, pension and other retirement benefit plans) is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain/ loss are debited / credited, as the case may be, to the statement of profit and loss of the year as employee benefits.

Other long-term benefits:

Long-term compensation plan to employees (being deferred compensation paid 12 months or more after the end of the period in which it is earned) are expensed out in the period to which the costs relate at present value of the benefits under the plan.

The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at Balance Sheet date.

2.10. Government grants

- (a) Government grants are recognized when there is reasonable assurance that the grant will be received and all relevant conditions are complied with.
- (b) Grants received by way of investment subsidy scheme in relation to total investment are credited to capital reserve and are treated as part of owners' fund.
- (c) Grants that compensate expenses are recognized on receipt basis.

2.11. Finance costs

Finance costs consist of interest, amortization of ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

2.12. Research and development

Revenue expenditure on research and development is expensed off under the respective head of expenses in the year in which it is incurred.

2.13. Leases

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on accrual and straight line basis over the lease term.

2.14. Accounting for taxes

- (a) Current tax is the aggregation of the tax charge appearing in the group companies.
- (b) Deferred Tax resulting from “timing differences between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are arrived at after setting off deferred tax assets and liabilities where the group has a legally enforceable right to set-off assets against liabilities, and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.15. Foreign currency transactions and balances

The reporting currency of the group is Indian Rupee. However, the local currencies of foreign operation are different from the reporting currency of the group.

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.
- (b) The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise.
- (c) Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing rate. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction. The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification, issued by the Ministry of Corporate Affairs.

Investments in shares of foreign subsidiaries and other entities are expressed in reporting currency at the rates of exchange prevailing at the time when the original investments were made.

2.16. Derivative instruments and hedge accounting

- (a) In case of forward contracts, to which AS 11, The Effects of Changes in Foreign Exchange Rate (AS 11) applies, the difference between the forward rate and the exchange rate on the date of the contract is recognized as income or expense over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the period in which the exchange rates change.
- (b) Foreign currency forward contracts, to which AS 11 does not apply, hedge accounting principles set out in AS 30 “Financial Instruments: Recognition and Measurement” are adopted w.e.f. 01-Apr-2011 to the extent they do not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements. These transactions comprise of forward contracts taken to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions and designated as cash flow hedges and valued at fair value. Changes in the fair value of these forward contracts that are effective hedges are recognized directly in cash flow hedge reserve account and the ineffective portion is recognized in the statement of profit and loss.

Amount accumulated in cash flow hedge reserve account is reclassified to the statement of profit and loss in the same period during which the forecasted transaction materialize. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedge reserve account is immediately transferred to the statement of profit and loss for the period.

2.17. Translation of financial statements of foreign operations

Foreign operations comprises of foreign subsidiaries and representative offices. All foreign subsidiaries are classified as non-integral and representative offices as integral considering the way in which they are financed and operate in relation to the Parent Company. Consequently, translation of respective financial statements is effected as under:

Non-integral operations:

- (a) Revenues and expenses are translated to reporting currency at the monthly average exchange rates based on the daily closing rates.
- (b) Inventories are translated at the six monthly average exchange rates based on the daily closing rates for the period of six months to the date of balance sheet.

- (c) All assets and liabilities, both monetary and non-monetary (except inventory), are translated to reporting currency at the exchange rate prevalent at the date of the balance sheet.
- (d) The resulting net exchange differences are recognized as foreign currency translation reserve.

Integral operations:

- (a) Revenues and expenses (except depreciation) are translated at the respective monthly average exchange rates based on the daily closing rates. Depreciation is kept at historical rates.
- (b) Monetary & Non-monetary items are translated using closing rate and historical rate respectively.
- (c) Exchange differences arising on translation are recognized in statement of profit and loss.

2.18. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources for which reliable estimates can be made. Liabilities which are of a contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 3 : SHARE CAPITAL			
Authorised			
200,000,000 (previous year 150,000,000) equity shares of ₹ 5 each		100.00	75.00
2,500,000 (previous year 2,500,000) preference shares of ₹ 100 each		25.00	25.00
		125.00	100.00
Issued			
169,236,720 (previous year 84,625,360) equity shares of ₹ 5 each		84.62	42.31
Subscribed and paid-up			
169,222,720 (previous year 84,611,360) equity shares of ₹ 5 each		84.62	42.31
Forfeited shares			
Amount originally paid up on 14,000 (previous year 14,000) equity shares of ₹ 5 each forfeited * Amount ₹ 35,000/- (previous year ₹ 35,000/-)		*	*
		84.62	42.31

Notes:

- (i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31-Mar-2014		As at 31-Mar-2013	
	Numbers	₹ in Crores	Numbers	₹ in Crores
As at the beginning of the year	84,611,360	42.31	84,611,360	42.31
Add : Bonus issued during the year	84,611,360	42.31	-	-
Outstanding at the end of the year	169,222,720	84.62	84,611,360	42.31

- (ii) Details of shares allotted for consideration other than cash, bonus shares and shares bought back in previous five financial years is as under:

The Company allotted 84,611,360 Equity Shares as fully paid up bonus shares of ₹ 5 each on 25-Jul-2013, pursuant to the shareholders' resolution passed on 12-Jul-2013.

- (iii) 86,115,472 (previous year 43,057,736) equity shares of ₹ 5 each are held by the holding Company, Torrent Private Limited.

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 4 : RESERVES AND SURPLUS			
Capital reserve		6.27	6.27
Capital redemption reserve			
Balance as per last balance sheet		3.85	3.85
Less : Utilised for issue of bonus shares during the year		(3.85)	-
		-	3.85
Securities premium account			
Balance as per last balance sheet		42.80	42.80
Less : Utilised for issue of bonus shares during the year		(38.46)	-
		4.34	42.80
Cash flow hedge reserve			
Balance as per last balance sheet		9.96	(17.50)
Add : Adjustment during the year		74.38	27.46
		84.34	9.96
General reserve			
Balance as per last balance sheet		1,013.38	958.38
Add : Transfer from statement of profit and loss		76.23	55.00
		1,089.61	1,013.38
Foreign currency translation reserve			
Balance as per last balance sheet		(14.10)	(9.27)
Add : Foreign currency translation reserve for the year		(59.76)	(4.83)
		(73.86)	(14.10)
Balance in statement of profit and loss			
Balance as per last balance sheet		317.46	166.99
Add: Net profit for the year		663.88	432.76
Less: Appropriations			
Interim dividend [₹ 5.00 (previous year ₹ 6.00) per share]		84.62	50.77
Proposed dividend [₹ 5.00 (previous year ₹ 17.00) per share]		84.62	143.84
Tax on distributed profits		28.76	32.68
Transfer to general reserve		76.23	55.00
Balance in statement of profit and loss		707.11	317.46
		1,817.81	1,379.62

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 5 : BORROWINGS			
Long-term borrowings, non-current portion [Note: (ii)]			
Secured term loans:			
from banks	[Note: (i)(a)]	730.72	403.19
Unsecured term loans:			
from banks		-	38.92
from others		13.74	12.43
		13.74	51.35
		744.46	454.54
Long-term borrowings, current portion [Note: (ii)]			
Secured term loans:			
from banks	[Note: (i)(a)]	135.00	72.44
Unsecured term loans:			
from banks		39.64	38.92
from others		2.23	2.45
		41.87	41.37
		176.87	113.81
Short-term borrowings			
Secured loans from banks [Note: (i)(b)]			
Unsecured loans from banks			
		19.62	68.68
		190.81	55.94
		210.43	124.62
		1,131.76	692.97

Notes:

(i) Loans are secured by:

(a) Term loans of ₹ 295.27 Crores (previous year ₹ 122.10 Crores) from banks are secured by and Term loans of ₹ 270.45 Crores (previous year ₹ 353.53 Crores) are to be secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, located at formulation manufacturing facilities, village Indrad; research facilities, village Bhat; corporate office, Ahmedabad, all in Gujarat, and manufacturing facilities, village Bhud; in Himachal Pradesh, on pari passu basis.

Term loan of ₹ 100 Crores (previous year ₹ Nil) from bank is secured by first equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets, present and future, located at formulation manufacturing facilities, Dahej (SEZ); and Gangtok, in Sikkim, on pari passu basis along with some of the identified brands of the Company in respect of which the Company is in process of creating the charge.

Term loan of ₹ 200 Crores (previous year ₹ Nil) from bank is secured by first equitable mortgage of free hold land located at village Rakanpur and free hold land and buildings located at Delhi, on pari passu basis along with some of the identified brands of the Company in respect of which the Company is in process of creating the charge.

(b) Working capital facilities are secured by hypothecation of inventories and book debts.

(ii) The terms of repayment of loan obligations on principal amount repayable in yearly installments, for the secured and unsecured long-term loans are as under:

(₹ in Crores)

Financial year	Secured	Unsecured
2014-15	135.00	41.87
2015-16	80.13	2.99
2016-17	322.71	3.38
2017-18	104.16	3.26
2018-19	100.81	2.16
2019-20	71.00	1.55
2020-21	29.67	0.40
2021-22	22.24	-
Total	865.72	55.61

		(₹ in Crores)
	Notes	As at 31-Mar-2014
		As at 31-Mar-2013
NOTE - 6 : DEFERRED TAX		
Deferred tax liabilities		
Excess of aggregate depreciation claimed under the income tax law over that debited to statement of profit and loss in the earlier years		77.26
Unrealized foreign exchange gain		0.69
		75.38
		0.23
		75.61
Deferred tax assets		
Provision for employee benefits expense		(20.70)
Provision for impairment of inventories		(16.76)
Provision for expenses		(4.51)
Provision for chargebacks		(5.70)
Provision for doubtful debts		(3.18)
Unrealized foreign exchange loss		(1.08)
Provision for goods dispatched but not delivered		(0.27)
Provision for doubtful claim receivables		-
Tax losses of subsidiaries		-
		(0.26)
		(93.77)
		(52.20)
Deferred tax liabilities (net)		25.75
		(18.16)
The deferred tax liabilities / assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:		
Deferred tax liabilities		56.91
Deferred tax assets		(31.16)
		47.48
		(65.64)
		(18.16)
NOTE - 7 : OTHER LIABILITIES		
Long-term liabilities		
Creditors for capital goods		8.33
Trade deposits		0.20
Derivative financial instruments		1.48
		5.77
		0.34
		3.92
		10.03
Current liabilities		
Current maturities of long-term debt	5	113.81
Interest accrued but not due on borrowings		3.05
Unclaimed dividend (not due)		1.03
Creditors for capital goods		21.18
Payables for employee benefits		51.01
Trade advances and deposits		26.17
Payables to statutory and other authorities		22.61
Book overdraft		24.71
Derivative financial instruments		9.35
Other payables		2.91
		176.87
		3.68
		0.92
		38.22
		63.12
		17.20
		36.37
		4.17
		25.71
		5.37
		371.63
		275.83
		381.66
		285.84

		As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 8 : PROVISIONS			
Long-term provisions			
Provision for employee benefits			
Post-retirement benefits	28	70.53	58.53
Leave benefits		37.24	32.80
		107.77	91.33
Provision for sales returns	29	47.31	34.23
Provision for expenses	29	35.35	3.95
		190.43	129.51
Short-term provisions			
Provision for employee benefits			
Post-retirement benefits	28	1.58	1.19
Leave benefits		7.82	6.41
Employee compensation plan		-	0.02
		9.40	7.62
Provision for sales returns	29	53.42	47.57
Proposed dividend		84.62	143.84
Tax on distributed profits		14.38	24.45
Provision for taxation, net of advance tax		1.57	18.98
		163.39	242.46
		353.82	371.97

NOTE - 9 : FIXED ASSETS

Particulars	Gross Block (At Cost)				Depreciation, Amortisation and Impairment				Net Block			
	As at 01-Apr-13	Additions during the period	Deductions/ Adjustments during the period	As at 31-Mar-14	Foreign Exchange Translation	As at 31-Mar-14	Additions during the period	Deductions/ Adjustments during the period	As at 31-Mar-14	Foreign Exchange Translation	As at 31-Mar-14	As at 31-Mar-13
TANGIBLES												
Land												
Freehold	116.02	0.03	-	116.05	-	-	-	-	-	-	116.05	116.02
Leasehold	43.76	2.43	-	46.19	-	0.83	-	1.15	1.15	-	45.04	43.44
Building	296.43	18.46	2.61	312.28	0.42	8.85	0.06	68.63	68.74	0.11	243.96	236.59
Plant & equipment	556.81	90.57	3.53	643.85	0.76	53.19	3.03	292.39	292.54	0.15	352.07	314.58
Furniture & fixtures	39.36	2.24	0.45	41.15	0.41	3.05	0.39	25.31	25.50	0.19	16.06	16.71
Vehicles	17.38	1.83	5.78	13.43	0.02	1.52	3.30	4.98	5.01	0.03	8.44	10.62
Office equipment	46.67	3.78	0.70	49.75	0.49	4.82	0.65	38.36	38.68	0.32	11.56	12.48
Electrical equipment	86.73	12.81	0.40	99.14	(0.06)	5.81	0.22	45.57	45.54	(0.03)	53.54	46.75
(A)	1,203.16	132.15	13.47	1,321.84	2.04	78.07	7.65	476.39	477.16	0.77	846.72	
Previous Year	1,130.76	112.87	23.38	1,220.25	(0.05)	75.26	9.93	423.09	423.01	(0.08)		797.19
INTANGIBLES												
Computer software	29.68	4.29	-	33.97	0.64	5.01	-	27.16	27.71	0.55	6.90	7.53
Product licenses	45.31	8.18	0.44	53.05	8.50	3.95	0.04	34.12	39.83	5.71	21.72	15.10
(B)	74.99	12.47	0.44	87.02	9.14	8.96	0.04	61.28	67.54	6.26	28.62	
Previous Year	68.88	5.97	0.29	74.56	0.76	7.50	0.31	52.20	52.69	0.49		22.63
Total (A+B)												
Current Year	1,278.15	144.62	13.91	1,408.86	11.18	87.03	7.69	537.67	544.70	7.03	875.34	
Previous Year	1,199.64	118.84	23.67	1,294.81	0.71	82.76	10.24	475.29	475.70	0.41		819.82

Notes:

(i) Foreign Exchange Translation represents foreign exchange difference arising due to translation of all foreign subsidiaries fixed assets at closing exchange rate.

(ii) Pro-rata cost of assets owned jointly with Torrent Power Limited, a Company under same management is as under :

Particulars	Proportion of holding	As at 31-Mar-14	As at 31-Mar-13
Freehold Land	50%	23.79	23.79
Freehold Land	30%	35.69	35.66
Buildings	30%	0.11	0.11

(iii) Depreciation, Amortization and Impairment includes ₹ 0.12 Crores (previous year ₹ 0.07 Crores) transferred to capital work in progress as pre operative expenses

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 10 : INVESTMENTS			
	No. of Units		
Non-current investments [valued at cost]			
Trade investments, unquoted			
GPC Cayman Investors I Ltd. - fully paid up equity shares of USD 10 each [Note i]	820601	37.49	37.49
Less: Provision for diminution in value		37.49	37.49
		-	-
Shivalik Solid Waste Limited - fully paid up equity shares of ₹ 10 each	20000	0.02	0.02
		0.02	0.02
Non-trade investments, unquoted			
National savings certificates		0.01	0.01
		0.01	0.01
		0.03	0.03
Current investments [valued at lower of cost and fair value]			
Mutual funds [Note ii]		173.63	16.44
Corporate deposit with HDFC Limited		12.00	44.00
		185.63	60.44
Aggregate unquoted investments		185.66	60.47
Notes :			
(i) Aggregate provision for diminution in value of investments		37.49	37.49
(ii) Aggregate net asset value of investment in mutual funds		174.07	16.47
NOTE - 11 : LOANS AND ADVANCES			
[Unsecured and considered good, unless otherwise stated]			
Non-current loans and advances			
Capital advances		83.59	42.04
Security deposits		18.01	15.66
Other advances recoverable in cash or kind or for value to be received		1.14	1.31
Advance tax paid, net of provisions		26.73	3.83
		129.47	62.84
Current loans and advances			
Security deposits		0.17	0.16
Balance with VAT, excise and customs department		0.57	0.27
Other advances recoverable in cash or kind or for value to be received		84.21	75.52
		84.95	75.95
		214.42	138.79

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 12 : OTHER ASSETS			
[Unsecured and considered good, unless otherwise stated]			
Non-current assets			
Derivative financial instruments		60.74	23.90
		60.74	23.90
Current assets			
Export benefits receivable		50.02	21.46
Claims receivable : indirect tax / insurance			
Considered good		131.74	96.04
Considered doubtful		0.02	0.02
Less : Allowance for doubtful claims receivable		0.02	0.02
		131.74	96.04
Interest accrued on loans and deposits		4.48	8.88
Derivative financial instruments		70.33	58.74
Fixed assets held for sale		0.73	0.25
Others		1.70	0.48
		259.00	185.85
		319.74	209.75
NOTE - 13 : INVENTORIES			
[At lower of cost or net realisable value]			
Raw materials		377.17	333.64
Packing materials		28.47	43.33
Work-in-progress		108.53	122.89
Finished goods		366.50	336.85
Stock-in-trade		125.39	87.15
		1,006.06	923.86
NOTE - 14 : TRADE RECEIVABLES			
Debts less than six months from due date			
Considered good [see note]		1,078.74	662.05
Considered doubtful		5.94	1.07
Less : Allowance for doubtful trade receivables		5.94	1.07
		1,078.74	662.05
Debts over six months from due date			
Considered good		20.68	25.77
Considered doubtful		29.16	12.39
Less : Allowance for doubtful trade receivables		29.16	12.39
		20.68	25.77
		1,099.42	687.82
Note: Trade receivables includes debts due from Torrent Power Limited, a Company under the same management as per section 370 (1B) of The Companies Act, 1956.		0.01	-

	Notes	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 15 : CASH AND CASH EQUIVALENTS			
Cash on hand		0.23	0.23
Balances with banks		198.40	101.96
Fixed deposit		569.74	523.47
Balances with banks for unclaimed dividend		0.92	1.03
Balances with banks held as margin money		0.11	0.26
Term deposits lodge with banks as securities		0.02	0.02
		769.42	626.97

Note: Cash and cash equivalents stated above excludes investment in mutual funds and corporate deposits disclosed under Note - 10 current investments as per requirements of AS 13 - "Accounting for Investments".

	Notes	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
NOTE - 16 : REVENUE FROM OPERATIONS			
Sales			
Sales in India		1,462.32	1,275.75
Sales outside India		2,581.36	1,784.88
		4,043.68	3,060.63
Less : Excise duties	27	7.38	7.10
		4,036.30	3,053.53
Operating Income			
Export benefits		52.10	30.05
Income from product registration dossiers		21.14	53.60
Patent assignment income		41.52	29.41
Compensation and settlement income		13.65	12.04
Other operating income		20.01	32.51
		148.42	157.61
		4,184.72	3,211.14
NOTE - 17 : OTHER INCOME			
Interest income		27.42	33.81
Net gain on sale of current investments		10.55	8.72
Other non-operating income		0.16	0.83
		38.13	43.36
NOTE - 18 : COST OF MATERIALS CONSUMED			
Raw materials		743.21	722.00
Packing materials		134.81	122.81
		878.02	844.81

	Notes	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
NOTE - 19 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Opening stocks			
Finished goods		336.85	139.75
Work-in-progress		122.89	87.62
Stock-in-trade		87.15	105.67
		546.89	333.04
Less : Closing stocks			
Finished goods		366.50	336.85
Work-in-progress		108.53	122.89
Stock-in-trade		125.39	87.15
		600.42	546.89
Net (increase) / decrease in stock		(53.53)	(213.85)
NOTE - 20 : EMPLOYEE BENEFITS EXPENSE			
[Other than those included in pre-operative expenses]			
Salaries, wages and bonus		633.77	518.50
Contribution to provident and other funds		66.70	64.67
Contribution for defined benefit plans	28	15.63	18.82
Staff welfare expenses		25.00	21.30
		741.10	623.29
NOTE - 21 : FINANCE COSTS			
[Other than those included in pre-operative expenses]			
Interest expense		34.24	25.79
Other borrowing cost		3.76	0.29
Net foreign exchange loss, to the extent considered as finance cost		20.63	7.72
		58.63	33.80

	Notes	Year ended 31-Mar-2014	(₹ in Crores) Year ended 31-Mar-2013
NOTE - 22 : OTHER EXPENSES			
[Other than those included in pre-operative expenses]			
Power and fuel		71.88	62.80
Stores and spares consumed		54.91	42.14
Cost of outsourced manpower		32.71	25.98
Job work charges		14.27	14.80
Laboratory goods and testing expense		41.12	28.58
Clinical research expense		17.33	24.29
Excise duties	27	4.00	5.02
Repairs and maintenance			
Machinery		10.06	7.75
Buildings		6.15	4.92
Others		7.36	6.24
		23.57	18.91
Selling, publicity and medical literature expense		429.49	368.55
Commission on sales		18.91	16.16
Sales and turnover taxes		13.13	8.36
Allowance for doubtful debts [net of bad debts written off ₹ 1.20 Crores (previous year ₹ 5.10 Crores)]		22.84	2.91
Travelling, conveyance and vehicle expenses		94.35	80.45
Compensation expense		60.73	51.79
Professional and legal fees		44.42	42.73
Registration expenses		32.40	16.84
Royalty Expense		2.06	0.64
Rent		37.39	27.40
Rates and taxes		1.97	3.14
Communication expenses		16.38	15.10
Printing and stationery expenses		4.41	4.07
Insurance		10.28	8.79
Net foreign exchange loss	30	84.24	4.82
Loss on sale / discard / write-off of fixed assets		3.78	4.99
Impairment loss on valuation of fixed assets		-	7.06
Provision / (Reversal) on asset held for sale		0.29	-
Auditors remuneration and expenses			
Audit Fees		2.94	2.13
Other Services		0.88	0.61
Out of pocket expenses		0.09	0.05
		3.91	2.79
Cost audit fees		0.06	0.05
Commission to non-executive directors		9.54	5.67
Donation		15.03	9.30
General charges		83.23	65.73
		1,248.63	969.86

NOTE - 23 : ACQUISITION OF IDENTIFIED BRANDED FORMULATION BUSINESS OF ELDER PHARMACEUTICALS LIMITED

The Company has entered into a definitive binding agreement, on 13-Dec-2013, with Elder Pharmaceuticals Limited to acquire its Identified Branded Formulations Business in India and Nepal on a going concern basis for a consideration of ₹ 2004 crores. Both the parties are in the process of taking applicable regulatory approvals and satisfying with various Conditions Precedent.

NOTE - 24 : EARNINGS PER SHARE

The basic and diluted earnings per share [EPS] are :

			Year ended 31-Mar-2014	Year ended 31-Mar-2013
Net profit for the year	(a)	[₹ in Crores]	663.88	432.76
Weighted average number of equity shares	(b)	[Nos]	169,222,720	84,611,360
EPS (basic and diluted)*	(a) / (b)	[₹]	39.23	25.58
Nominal value per equity share		[₹]	5.00	5.00

* The earnings per share has been restated for previous year consequent to issue of bonus shares in the ratio of 1:1 on 25-Jul-2013.

	As at 31-Mar-2014	(₹ in Crores) As at 31-Mar-2013
NOTE - 25 : CAPITAL COMMITMENTS		
Estimated amount of contracts remaining unexecuted on capital account & not provided for :	128.28	251.00

NOTE - 26 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of :

	As at 31-Mar-2014	As at 31-Mar-2013
(a) Claims against the Group not acknowledged as debts		
Disputed demand of income tax for which appeals have been preferred	5.25	5.25
Disputed employee state insurance contribution liability under E.S.I. Act, 1948	7.30	5.80
Disputed cases for supply of goods and services	0.19	40.97
Disputed demand of excise and service tax	32.41	37.93
Disputed demand of local sales tax and C.S.T	0.19	0.17
Disputed cases at labour court / industrial court	3.07	3.24
	48.41	93.36

Against the above, the Company has paid ₹ 0.28 Crores (previous year ₹ 8.16 Crores). The expected outflow will be determined at the time of final outcome in respect of the concerned matter. No amount is expected to be reimbursed.

NOTE - 27 : EXCISE DUTIES

Excise duties shown as deduction from sales represents the amount of excise duty collected on sales. Excise duty expenses under the head "Other expenses", represents (i) the difference between excise duty element in closing stocks and opening stocks, and (ii) excise duty paid on samples and on inventory write-off which is not recoverable from sales.

NOTE - 28 : EMPLOYEE'S BENEFIT

The accruing liability on account of enclosed plans (retirement benefits in the nature of defined benefits plan) is accounted as per AS 15 (revised 2005) "Employee Benefits".

General Description of the Plan :

- (i) **Gratuity:** The Company operates a defined benefit plan (the gratuity plan) covering eligible employees in India, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.
- (ii) **Pension:** Employees pension benefit plan in Germany is the liability which accrues and gets discharged as per the terms and condition of pension scheme called "Monsanto Pension Plan 2000". It is a defined benefit plan (the pension plan) which provides pension benefits to eligible employees post retirement.
- (iii) **Retirement Benefit Plan:** The Company has a non-contributory defined benefit retirement plan, in Philippines, covering all of its regular employees. The benefits are based on respective employees salary and the tenure of employment.

(iv) **Retirement Benefit and Seniority Premium Plan:** The retirement benefit and seniority premium plan in Mexico is the liability which accrues and gets discharged as per the terms and conditions of Mexican federal labor laws. It is a defined benefit plan which provides benefits to eligible employees post retirement / termination.

(₹ in Crores)

Particulars	Year ended 31-Mar-2014				Year ended 31-Mar-2013			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :								
Obligations at the beginning of the year	48.47	50.63	0.93	0.72	37.62	43.86	0.57	-
Current service cost	6.63	0.58	0.31	0.34	5.99	0.44	0.23	0.40
Interest cost	3.88	2.46	0.05	0.05	3.15	2.13	0.04	0.05
Actuarial (gain) / loss	0.17	6.26	(0.04)	0.13	5.24	4.50	0.02	0.01
Benefits paid directly by the employer	(0.26)	(1.28)	-	(0.32)	(0.13)	(0.98)	-	(0.23)
Benefits paid from the fund	(3.29)	-	-	-	(3.40)	-	-	-
Past service cost	-	-	-	0.01	-	-	-	0.48
Translation forex	-	9.43	(0.01)	0.01	-	0.68	0.07	0.01
Obligations at the end of the year	55.60	68.08	1.24	0.94	48.47	50.63	0.93	0.72
(b) Reconciliation of opening and closing balances of the fair value of plan assets :								
Plan assets at the beginning of the year	41.03	-	-	-	34.79	-	-	-
Expected return on plan assets	4.41	-	-	-	3.70	-	-	-
Actuarial gain / (loss)	0.58	-	-	-	(0.06)	-	-	-
Contributions	11.00	-	-	-	6.00	-	-	-
Benefits paid	(3.29)	-	-	-	(3.40)	-	-	-
Plan assets at the end of the year	53.73	-	-	-	41.03	-	-	-
Actual return on plan assets	4.99	-	-	-	3.64	-	-	-

(₹ in Crores)

Particulars	Year ended 31-Mar-2014				Year ended 31-Mar-2013			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(c) Defined benefit cost for the year :								
Current service cost	6.63	0.58	0.31	0.34	5.99	0.44	0.23	0.40
Interest cost	3.88	2.46	0.05	0.05	3.15	2.13	0.04	0.05
Expected return on plan assets	(4.41)	-	-	-	(3.70)	-	-	-
Net Actuarial (gain) / loss	(0.41)	6.26	(0.04)	0.13	5.30	4.50	0.02	0.01
Past service cost	-	-	-	0.01	-	-	-	0.48
Net defined benefit cost	5.69	9.30	0.32	0.53	10.74	7.07	0.29	0.94
(d) (i) Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :								
Obligations at the end of the year	55.60	68.08	1.24	0.94	48.47	50.63	0.93	0.72
Plan assets at the end of the year, at fair value	53.73	-	-	-	41.03	-	-	-
(Asset) / Liability recognised in balance sheet	1.87	68.08	1.24	0.94	7.44	50.63	0.93	0.72
(ii) Experience adjustments gain / (loss)								
Plan liabilities	(4.79)	1.22	(0.15)	-	(3.64)	0.60	0.10	-
Plan assets	0.58	-	-	-	(0.06)	-	-	-
(e) Expected contribution for the next year	12.00	-	-	-	12.00	-	-	-

(f) Data for defined benefit obligation and fair value of plan assets are as under :

(₹ in Crores)

Particulars	Gratuity Plan				
	2009-10	2010-11	2011-12	2012-13	2013-14
Present value of defined benefit obligations at the end of the year	26.42	32.27	37.62	48.47	55.60
Plan assets at the end of the year	25.10	32.16	34.79	41.03	53.73
Net (assets) / liability at the end of year	1.32	0.11	2.83	7.44	1.87

Particulars	Pension Plan				
	2009-10	2010-11	2011-12	2012-13	2013-14
Present value of defined benefit obligations at the end of the year	32.77	34.70	43.86	50.63	68.08
Plan assets at the end of the year	-	-	-	-	-
Net (assets) / liability at the end of year	32.77	34.70	43.86	50.63	68.08

(₹ in Crores)

Particulars	Year ended 31-Mar-2014				Year ended 31-Mar-2013			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(g) Assumptions								
Discount rate	9.29%	3.40%	5.75%	8.25%	8.00%	4.10%	5.00%	7.00%
Expected rate of return on plan assets	10.74%	-	-	-	10.74%	-	-	-
Salary escalation rate	10.00%	3.00%	6.00%	4.50%	10.00%	3.00%	6.00%	4.50%

Expected long-term productivity gains & long term risk-free real rate of interest have been used as guiding factors to determine long-term salary growth.

Future mortality rates (for gratuity plan) are obtained from relevant table of Indian Assured Lives Mortality (2006-08) Ultimate.

(h) Investment details of plan assets (Gratuity Plan) :

The plan assets, with respect to gratuity plan, are managed by Insurance Company viz Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited who has invested the funds substantially as under :

	As at 31-Mar-2014	As at 31-Mar-2013
Equity instruments	22.26%	22.74%
Corporate bonds	46.78%	45.05%
Government securities	14.91%	14.05%
Fixed deposits with banks	16.05%	18.17%

NOTE - 29 : PROVISIONS

(a) Provision for sales returns

The Group as a trade practice accepts returns from market for formulations which are primarily in the nature of expired or near expiry products. Provision for such returns estimated on the basis of historical experience, market conditions and specific contractual terms, if any and are provided for. Details of the provision is as under :

	As at 31-Mar-2014	As at 31-Mar-2013
Opening provision	81.80	69.51
Add: Additional provision	77.45	65.86
Less: Actual returns during the year	(60.57)	(53.74)
Add: Exchange fluctuation	2.05	0.17
Closing provision	100.73	81.80

(b) Provision for expenses

Provision for expenses includes estimated amount of liability pertaining to administrative and judicial proceedings disputed with past employees pending at various labour courts in Brazil. Details of the provision are as under :

Opening provision	3.95	5.75
Add: Additional provision / (reversal)	31.46	(1.58)
Add: Exchange fluctuation	(0.06)	(0.22)
Closing provision	35.35	3.95

NOTE - 30: FOREIGN EXCHANGE LOSS / (GAIN)

	(₹ in Crores)	
	Year ended 31-Mar-2014	Year ended 31-Mar-2013
Net Foreign exchange loss, included in other expenses [Note - 22] :	84.24	4.82
Add / (less) :		
Add: Net foreign exchange loss on foreign currency borrowings to the extent regarded as an adjustment to interest cost included in finance cost [Note - 21] :	20.63	7.72
Less: MTM on forward exchange contracts to hedge the foreign currency risk of highly probable forecast transactions accounted as per AS 30 :	48.80	(37.01)
Total foreign exchange loss as per AS 11	56.07	49.55

NOTE - 31 : OPERATING LEASE

The Group leases office spaces on non-cancellable operating lease at various subsidiaries location. The total future minimum lease payments under this non-cancellable lease are as below:

Not later than 1 Year	2.06	2.98
Later than 1 Year and not later than 5 Years	4.42	2.94
Total	6.48	5.92

Lease rentals on the above lease amounting to ₹ 2.70 crores (previous year ₹ 2.29 crores) are charged to statement of profit and loss.

NOTE - 32 : SEGMENT INFORMATION

The primary and secondary reportable segments considered are Business Segments and Geographical Segments respectively.

The group operates in a solitary business segment i.e. pharmaceuticals, comprising mainly manufacture of branded formulations. A further breakdown of pharmaceuticals sales is given.

Geographical Segments have been identified based on location of customers and management structure. Accordingly, geographical segments are divided into two segments namely, (a) India (b) outside India. Sales are made in these geographical areas with production based in India. The reportable Geographical Segments and Segment revenue (external net sales) for the year is as under:

	(₹ in Crores)	
	Year ended 31-Mar-2014	Year ended 31-Mar-2013
(a) India	1,454.94	1,268.65
(b) Outside India	2,581.36	1,784.88
Total	4,036.30	3,053.53

Segment assets are not directly identifiable / properly allocable against each of the above reportable segments. Fixed assets, forming a substantial portion of the total assets of the Group, are interchangeably used between all the segments and cannot be identified against a specific segment. Significant portion of current assets are interchangeable between all the segments and not identifiable against any individual segment. Hence no meaningful disclosure of segment assets is possible.

NOTE - 33 : REGROUPING

Previous year figures have been regrouped / recast, wherever necessary, so as to make them comparable with those of the current year.

NOTE - 34 : RELATED PARTIES AND TRANSACTIONS

(a) The disclosures pertaining to related parties and transactions therewith are set out in table below :

(₹ in Crores)

Particulars	Enterprises controlled by the Company		Holding Company / Enterprises controlled by the Holding Company		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(A) Nature of Transactions										
Sale of finished goods	-	-	0.28	0.27	-	-	-	-	0.28	0.27
Torrent Power Limited	-	-	0.28	0.27	-	-	-	-	0.28	0.27
Purchase of material, consumables etc.	-	-	0.03	2.30	-	-	-	-	0.03	2.30
Torrent Cables Limited	-	-	0.03	2.30	-	-	-	-	0.03	2.30
Remuneration to key management personnel	-	-	-	-	17.77	15.25	-	-	17.77	15.25
Shri Sudhir Mehta, Chairman	-	-	-	-	7.50	5.00	-	-	7.50	5.00
Shri Samir Mehta, Executive Vice Chairman	-	-	-	-	7.53	7.53	-	-	7.53	7.53
Dr. Chaitanya Dutt Director (Research & Development)	-	-	-	-	2.74	2.72	-	-	2.74	2.72
Contribution to Gratuity / Superannuation funds	16.02	11.51	-	-	-	-	-	-	16.02	11.51
TPL Employee Group Gratuity Trust	11.00	6.00	-	-	-	-	-	-	11.00	6.00
TPL Employee Superannuation Trust	5.02	5.51	-	-	-	-	-	-	5.02	5.51
Lease rent paid	-	-	0.02	0.02	-	-	-	-	0.02	0.02
Torrent Private Limited	-	-	0.02	0.02	-	-	-	-	0.02	0.02
Services received	-	-	10.15	7.28	-	-	14.07	10.91	24.22	18.19
Tsunami Tours & Travels Limited	-	-	-	-	-	-	14.07	10.91	14.07	10.91
Torrent Power Limited	-	-	4.87	4.81	-	-	-	-	4.87	4.81
Torrent Energy Limited	-	-	5.28	2.47	-	-	-	-	5.28	2.47
Commission & interest paid to carrying & forwarding agents	-	-	-	-	-	-	1.31	1.22	1.31	1.22
Zeal Pharmachem India Pvt. Limited	-	-	-	-	-	-	1.31	1.22	1.31	1.22
Donation	-	-	-	-	-	-	8.80	4.88	8.80	4.88
U. N. Mehta Charitable Trust	-	-	-	-	-	-	8.00	4.35	8.00	4.35
Memadpur Kelavani Mandal	-	-	-	-	-	-	0.80	0.13	0.80	0.13
Shri Vadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	0.40	-	0.40
Interest income	-	-	0.07	0.04	-	-	-	-	0.07	0.04
Torrent Power Limited	-	-	0.07	0.04	-	-	-	-	0.07	0.04
Amount reimbursed towards purchase of fixed asset	-	-	-	0.35	-	-	-	-	-	0.35
Torrent Power Limited	-	-	-	0.35	-	-	-	-	-	0.35
Expenses reimbursement	-	-	0.08	0.08	-	-	0.24	0.21	0.33	0.29
Zeal Pharmachem India Pvt. Limited	-	-	-	-	-	-	0.24	0.21	0.24	0.21
Torrent Power Limited	-	-	0.08	0.08	-	-	-	-	0.08	0.08
Purchase of fixed assets	-	-	5.94	0.24	-	-	-	-	5.94	0.24
Torrent Power Limited	-	-	-	0.09	-	-	-	-	-	0.09
Torrent Cables Limited	-	-	5.94	0.15	-	-	-	-	5.94	0.15

(₹ in Crores)

Particulars	Enterprises controlled by the Company		Holding Company / Enterprises controlled by the Holding Company		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(A) Nature of Transactions										
Deposit given	-	-	0.44	1.00	-	-	-	-	0.44	1.00
Torrent Energy Limited	-	-	0.43	0.97	-	-	-	-	0.43	0.97
Torrent Power Limited	-	-	0.01	0.03	-	-	-	-	0.01	0.03
Recovery of expenses	-	-	-	-	-	-	0.01	0.02	0.01	0.02
Zeal Pharmachem India Pvt. Limited	-	-	-	-	-	-	0.01	0.02	0.01	0.02
(B) Balances at the end of the year	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Trade receivables	-	-	0.08	0.06	-	-	-	-	0.08	0.06
Torrent Power Limited	-	-	0.08	0.06	-	-	-	-	0.08	0.06
Advances recoverable in cash or kind	0.22	0.32	1.48	1.02	-	-	0.14	1.29	1.83	2.63
TPL Employees Group Gratuity Trust	0.22	0.32	-	-	-	-	-	-	0.22	0.32
Tsunami Tours & Travels Pvt. Limited	-	-	-	-	-	-	0.14	1.29	0.14	1.29
Torrent Energy Limited	-	-	1.39	0.97	-	-	-	-	1.39	0.97
Torrent Power Limited	-	-	0.09	0.05	-	-	-	-	0.09	0.05
Trade payables	-	-	0.86	-	-	-	0.76	0.38	1.63	0.38
Zeal Pharmachem India Pvt. Limited	-	-	-	-	-	-	0.10	0.09	0.10	0.09
Torrent Power Limited.	-	-	0.37	-	-	-	-	-	0.37	-
Tsunami Tours & Travels Pvt. Limited	-	-	-	-	-	-	0.66	0.29	0.66	0.29
Torrent Private Limited	-	-	0.02	-	-	-	-	-	0.02	-
Torrent Cables Limited	-	-	0.48	-	-	-	-	-	0.48	-
Other payables	-	-	-	-	16.69	14.19	-	-	16.69	14.19
Shri Sudhir Mehta, Chairman	-	-	-	-	7.50	5.00	-	-	7.50	5.00
Shri Samir Mehta, Executive Vice Chairman	-	-	-	-	9.19	9.19	-	-	9.19	9.19

(b) Names of related parties and description of relationship :

1.	Enterprises controlled by the Company	TPL Employee Group Gratuity Trust, TPL Employee Superannuation Trust		
2.	Holding Company / Enterprises controlled by the Holding Company	Torrent Private Limited, Torrent Financiers, Torrent Power Limited, Torrent Cables Limited, Torrent Power Services Pvt. Limited, Torrent Pipavav Generation Limited, Torrent Energy Limited, Torrent Power Grid Limited, Torrent Power Bhiwandi Limited, AEC Cements and Constructions Limited.		
3.	Key management personnel	Shri Sudhir Mehta Chairman	Shri Samir Mehta Executive Vice Chairman	Dr. Chaitanya Dutt Director (Research & Development)
4.	Relatives of key management personnel	Smt. Anita Mehta, wife Smt. Shardaben Mehta, mother Shri Varun Mehta, son Shri Jinal Mehta, son Shri Samir Mehta, brother Smt. Meena Modi, sister Smt. Nayna Shah, sister	Smt. Sapna Mehta, wife Smt. Shardaben Mehta, mother Shri Aman Mehta, son Shri Shaan Mehta, son Shri Sudhir Mehta, brother Smt. Meena Modi, sister Smt. Nayna Shah, sister	Smt. Shobha Dutt, wife Shri Umang Dutt, son Shri Uttang Dutt, son
5.	Enterprises controlled by key management personnel / relatives of key management personnel	U N Mehta Charitable Trust, D N Modi Charitable Trust, Shardaben Mehta Charitable Trust, Tsunami Tours & Travels Pvt. Ltd., Torrel Cosmetics Pvt. Ltd., Zeal Pharmachem India Pvt Ltd, Diamond Infrastructure Private Limited, U N Mehta Institute of Cardiology & Research Centre, Dushyant Shah Charitable Trust, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal.		

NOTE - 35 : DETAILS AS PER SECTION 212(1) OF THE COMPANIES ACT, 1956

As per Section 212 (1) of the Companies Act, 1956, the Company is required to attach the directors' report, the auditors' report, balance-sheet and statement of profit & loss alongwith other statements and reports referred to in the said section in respect of its subsidiary companies ("subsidiaries annual accounts") with the financial statement of the Company.

(a) In terms of the general circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India under Section 212 (8) of the Companies Act, 1956, the subsidiaries annual accounts are not attached to this Annual Report. As required under above circular, the audited consolidated financial statements of the Company and all its subsidiaries are presented in this Annual Report and also the summarised details for each subsidiary as required under the said circular are appended herewith.

The above subsidiaries annual accounts shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. These documents shall also be available for inspection by the shareholders at the registered office of the Company and the respective subsidiaries and are also being posted on the Company's Website: www.torrentpharma.com.

(b) Summarised details regarding subsidiary companies for the year ended on 31-Mar-2014 as required under general circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs under Section 212 (b) of the Companies Act, 1956 are as under :

(₹ in Crores)

Name of the Subsidiary Company	Exchange Rate as on 31-Mar-2014	Capital	Reserves	Total assets	Total liabilities	Turnover	Profit before taxation	Provision for taxation	Profit after taxation
Zao Torrent Pharma	1 Ruble = ₹ 1.6841	0.40	28.98	40.27	10.89	49.59	4.35	-	4.35
Torrent Pharma GmbH	1 Euro = ₹ 82.5765	0.21	46.19	84.55	38.15	11.85	3.71	0.73	2.98
Torrent Do Brasil Ltda.	1 Reals = ₹ 26.5576	50.84	(8.77)	317.14	275.07	517.85	(58.33)	(18.74)	(39.59)
Torrent Pharma Inc.	1 USD = ₹ 60.0998	7.21	25.98	554.90	521.71	742.76	21.54	7.62	13.92
Torrent Pharma Philippines, Inc.	1 Peso = ₹ 1.3357	1.49	(21.78)	52.41	72.70	58.42	(19.35)	(2.45)	(16.90)
Heumann Pharma GmbH & Co. Generica KG	1 Euro = ₹ 82.5765	0.09	(14.88)	542.45	557.24	392.96	(24.99)	0.09	(25.08)
Torrent Australasia Pty Ltd	1 AU\$ = ₹ 55.418	0.48	(0.27)	0.24	0.03	-	0.02	-	0.02
Torrent Pharma S.R.L.	1 RON = ₹ 18.5344	7.68	(14.89)	184.03	191.24	53.29	(9.66)	-	(9.66)
Laboratorios Torrent, S.A. De C.V.	1 Mxn\$ = ₹ 4.5933	34.33	(15.51)	24.43	5.61	39.79	3.50	-	3.50
Heunet Pharma GmbH	1 Euro = ₹ 82.5765	0.21	(4.23)	362.86	366.88	144.64	1.54	-	1.54
Norispharm GmbH	1 Euro = ₹ 82.5765	0.21	(2.00)	5.33	7.12	1.37	(0.45)	-	(0.45)
Torrent Pharma Canada Inc.	1 CAD = ₹ 54.3644	1.82	(1.30)	0.55	0.03	-	0.03	-	0.03
Torrent Pharma (Thailand) Co., Ltd.	1 THB = ₹ 1.8521	1.74	(0.67)	1.13	0.06	-	(0.27)	-	(0.27)
Torrent Pharma (UK) Ltd	1 GBP = ₹ 99.8498	2.25	3.32	34.93	29.36	51.93	(0.19)	0.04	(0.23)
Laboratories Torrent (Malaysia) SDN.BHD.	1 MYR = ₹ 18.3960	0.92	0.38	1.30	-	19.43	(1.45)	(0.26)	(1.19)
Opening Pharma France S.A.S.	1 Euro = ₹ 82.5765	-	0.11	14.22	14.11	1.62	0.13	0.04	0.09

* Details of Investments (except in case of investment in subsidiaries) & Proposed Dividend are Nil in each subsidiary.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemendra Shah
Partner

Ahmedabad
9th May, 2014

Signatures to the notes forming part of Consolidated Financial Statement 1 to 35

Sudhir Mehta
Chairman

Ashok Modi
Executive Director & Chief Financial Officer

Ahmedabad
9th May, 2014

Samir Mehta
Executive Vice Chairman

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 26585090 / 26583060 Fax: + 91 79 26582100

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

PROXY FORM

Name of the member(s): _____

Registered Office address: _____

Email Id: _____

Folio No.: _____

DP Id / Client Id: _____

I / We, being the member(s) of shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

Email Id: _____ Signature: _____, or failing him

2. Name: _____

Address: _____

Email Id: _____ Signature: _____, or failing him

3. Name: _____

Address: _____

Email Id: _____ Signature: _____,

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 41st Annual General Meeting of the Company, to be held on Wednesday, 30th day of July, 2014 at 09:30 a.m. at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	OPTIONAL ³	
		For	Against
1.	To receive, consider and adopt the Financial Statements as at 31 st March, 2014 including the Audited Balance Sheet as at 31 st 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 st March, 2014 and to declare final dividend on equity shares for the said financial year		
3.	Appoint a Director in place of Shri Samir Mehta, Director, who retires by rotation, and being eligible, offers himself for re-appointment		
4.	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		

Resolution No.	RESOLUTIONS	OPTIONAL ³	
Special Business			
5.	Ratification of remuneration of Cost Auditors of the Company for the year 2014-15		
6.	Appointment of Shri Shailesh Haribhakti as an Independent Director		
7.	Appointment of Shri Haigreve Khaitan as an Independent Director		
8.	Appointment of Shri Pradeep Bhargava as an Independent Director		
9.	Appointment of Shri Ashish Nanda as an Independent Director		
10.	Appointment of Smt. Bhavna Doshi as an Independent Director		
11.	Appointment of Shri Samir Mehta as Executive Chairman and fixation of Remuneration		
12.	Re-appointment of Dr. Chaitanya Dutt as Director (Research & Development) and fixation of Remuneration		

Signed this..... day of..... 20.....

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix 15 Paise Revenue Stamp

Notes:

- 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2 For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 41st Annual General Meeting.
- 3 It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- 4 Please complete all details including details of member(s) in above box before submission.



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

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

DP ID**
CLIENT ID

REGD. FOLIO NO.
NO. OF SHARES HELD

Full name of the member attending _____

Full name of the first joint-holder _____

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 41ST ANNUAL GENERAL MEETING being held at J. B. Auditorium, Torrent AMA Centre, Ground Floor, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380 015, Gujarat, India on Wednesday, the 30th July, 2014 at 09:30 a.m.

Member's / Proxy's Signature
(To be signed at the time of handing over of this slip)

** Applicable to the members whose shares are held in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.



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Registered Folio No. / DP & Client ID No. :

Name of the Sole / First named Member :

Registered Address :

Name(s) of the joint Member(s), if any :

No. of Shares held :

Dear Member,

Sub.: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Torrent Pharmaceuticals Limited (“the Company”) is offering e-voting facility to its members in respect of the businesses to be transacted at the Forty First Annual General Meeting scheduled to be held on Wednesday, 30th July, 2014 at 09:30 a.m.

The Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) as the Authorised Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVS (e-voting sequence number)	USER ID	PASSWORD / PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting : **From 09:00 a.m. (IST) on 24th July, 2014**

End of e-voting : **Up to 05:00 p.m. (IST) on 26th July, 2014**

The cut-off date (i.e. the record date) for the purpose of e-voting is 17th June, 2014.

Please read the instructions printed overleaf before exercising the vote. This communication forms an integral part of the Notice dated 9th May, 2014 for the Forty First Annual General Meeting scheduled to be held on 30th July, 2014, which along with the full Annual Report for the financial year 2013-14 of the Company is enclosed herewith. Attention is invited to the statement on the accompanying Notice that the business of the meeting may be transacted through e-voting system and that the Company is providing facility for voting by electronic means.

Yours faithfully,
For TORRENT PHARMACEUTICALS LIMITED

Ahmedabad
9th May, 2014

MAHESH AGRAWAL
VP (Legal) & Company Secretary

INSTRUCTIONS FOR E-VOTING

1. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
2. Enter the login credentials [i.e., user id and password mentioned overleaf]. Your Folio No. / DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing user id and password for casting your vote.
3. After entering the details appropriately, click on LOGIN.
4. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and one special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVSN i.e., Torrent Pharmaceuticals Limited.
7. On the voting page, enter the number of shares as on the cut off date under FOR / AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR / AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN and the shares held will not be counted under either head.
8. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution.

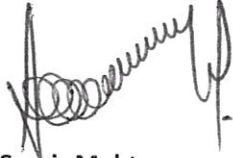
Other Instructions:

10. Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
11. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. 17th June, 2014.
12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual for members available at the download section of <http://evoting.karvy.com> or contact Karvy at Tel. No. 1800 345 4001 (toll free).
13. Mr. Rajesh Parekh, Practicing Company Secretary [Membership No. A8073] (and failing him Mr. Kamlesh Patel, Practicing Company Secretary) [Membership No. A10772] has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
14. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
15. The Results shall be declared on the date of the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.torrentpharma.com and on the website of Karvy within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
16. The resolutions shall be deemed to be passed on the date of the annual general meeting, subject to receipt of sufficient votes.
17. **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer through e-mail on torrentpharmascrutinizer14@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVSN."

FORM A

Pursuant to Clause 31(a) of Listing Agreement

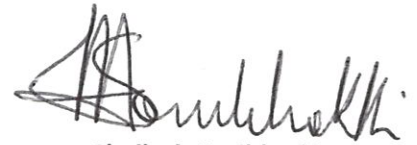
1.	Name of the Company	Torrent Pharmaceuticals Limited
2.	Annual financial statement for the year ended	Consolidated financial statements for the year ended 31-Mar-14
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable



Samir Mehta
Executive Vice Chairman



Ashok Modi
Executive Director
& Chief Financial Officer



Shailesh Haribhatki
Audit Committee Chairman

Refer our Audit Report dated 09-May-14 on the consolidated financial statements of the Company

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No 117365W)



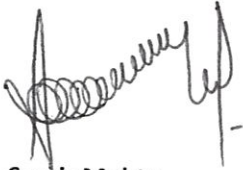
Hemendra Shah
Partner
(Membership No. 33590)

Place: Ahmedabad
Date: 09-May-14

FORM A

Pursuant to Clause 31(a) of Listing Agreement

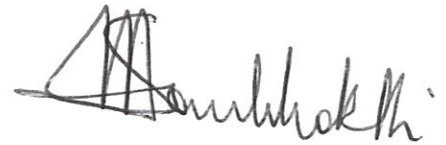
1.	Name of the Company	Torrent Pharmaceuticals Limited
2.	Annual financial statement for the year ended	Standalone financial statements for the year ended 31-Mar-14
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable



Samir Mehta
Executive Vice Chairman



Ashok Modi
Executive Director
& Chief Financial Officer



Shailesh Haribhatki
Audit Committee Chairman

Refer our Audit Report dated 09-May-14 on the standalone financial statements of the Company

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No 117365W)



Hemendra Shah
Partner
(Membership No. 33590)

Place: Ahmedabad
Date: 09-May-14