

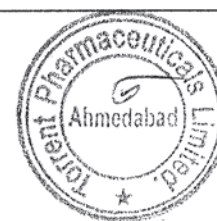
**Quarterly Compliance Report on Corporate Governance Clause 49 of Listing Agreement**

**Name of the Company: Torrent Pharmaceuticals Limited**

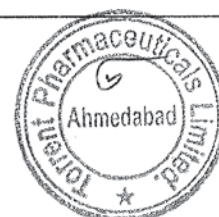
**Date: 08-Apr-13**

**Quarter ending on: 31<sup>st</sup> March, 2013**

| Particulars   | Clause of Listing agreement | Compliance Status Yes/No | Remarks  |
|---|-----------------------------|--------------------------|--|
| I. Board of Directors                                   | 49 I                        |                          |  |
| (A) Composition of Board                                | 49 (IA)                     | Yes                      | The Company's Board comprises of 10 Directors, of which 8 are non-executive directors (NEDs), representing 80% of total strength. Further out of said 8 NEDs, 6 are independent directors representing 60% of total strength of the Board.   |
| (B) Non-executive Directors' compensation & disclosures | 49 (IB)                     | Yes                      | Commissions paid to the NEDs are within the limits prescribed under section 309(4) of the Companies Act, 1956 and as approved by the shareholders at the AGM held on 30 <sup>th</sup> July, 2011.  |
| (C) Other provisions as to Board and Committees         | 49 (IC)                     |                          |  |
| i) Frequency of Board Meeting                           | 49 (IC) (i)                 | Yes                      | During the financial year 2012-13, four Board meetings have been held i.e. on 18 <sup>th</sup> May, 2012, 23 <sup>rd</sup> July, 2012, 26 <sup>th</sup> October, 2012 and 29 <sup>th</sup> January, 2013 and the gap between two meetings did not exceed 4 months.   |
| ii) Committee Positions                                 | 49 (IC) (ii)                | Yes                      | During the financial year 2012-13, no director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies in which they are directors. Furthermore, the Company annually discloses the committee positions of all directors in its Annual Report.  |
| iii) Compliance Report                                  | 49 (IC) (iii)               | Yes                      | The certificate confirming compliance with the laws applicable to the Company are placed before every Board meeting and reviewed by the Board.   |
| (D) Code of Conduct                                     | 49 (ID)                     | Yes                      | The Company has formulated and adopted a Code of Business Conduct which is applicable to all its employees. The said Code has been posted on its website. Affirmation has been received from all the Directors and Senior Management regarding their adherence to the said Code during the F.Y. 2011-12 and affirmation was made by the Executive Vice Chairman in the 2011-12 Annual Report. A similar confirmation to that effect will be obtained from the aforesaid persons and affirmation will be made in the Annual Report for 2012-13. |



|   |                |      |   |
|---|----------------|------|---|
| II. Audit Committee   | 49 (II)        |      |   |
| (A) Qualified & Independent Audit Committee   | 49 (IIA)       | Yes  | The Committee comprises entirely of Independent Non-Executive Directors (INEDs). All members of the Committee are financially literate and having accounting or related financial management expertise. The Chairman of the Committee is also an INED. The Chairman of the Audit Committee was present at last AGM held on 23 <sup>rd</sup> July, 2012. |
| (B) Meeting of Audit Committee  | 49 (IIB)       | Yes  | During the financial year 2012-13, four meetings have been held i.e. on 18 <sup>th</sup> May, 2012, 23 <sup>rd</sup> July, 2012, 26 <sup>th</sup> October, 2012 and 29 <sup>th</sup> January, 2013 and the gap between two meetings did not exceed 4 months.  |
| (C) Powers of Audit Committee   | 49 (IIC)       | Yes  |   |
| (D) Role of Audit Committee   | 49 (IID)       | Yes  |   |
| (E) Review of Information by Audit Committee  | 49 (IIE)       | Yes  |   |
| III. Subsidiary Companies   | 49 (III)       |      |   |
| i) Nomination of an INED of the Company to the Board of material unlisted Indian subsidiary company   | 49 (III) (i)   | N.A. |   |
| ii) Audit Committee to review financial statements & investments made by unlisted subsidiary companies  | 49 (III) (ii)  | Yes  |   |
| iii) Minutes of Board Meeting of unlisted subsidiary companies & statement of significant transactions & arrangements to be tabled at Board meeting | 49 (III) (iii) | Yes  |   |
| IV. Disclosures   | 49 (IV)        |      |   |
| (A) Basis of related party transactions   | 49 (IV A)      | Yes  |   |
| (B) Disclosure of Accounting Treatment  | 49 (IV B)      | Yes  | Disclosed in the Annual Report 2011-12. Will be disclosed in the Annual Report for 2012-13.   |
| (C) Board Disclosures   | 49 (IV C)      | Yes  |   |
| (D) Proceeds from public issues, rights issues, preferential issues etc.  | 49 (IV D)      | N.A. |   |
| (E) Remuneration of Directors   | 49 (IV E)      | Yes  | Disclosed in the Annual Report 2011-12. Will be disclosed in the Annual Report for 2012-13.   |
| (F) Management  | 49 (IV F)      | Yes  | Disclosed in the Annual Report 2011-12. Will be disclosed in the Annual Report for 2012-13.   |



|  |              |     |   |
|--|--------------|-----|---|
| (G) Shareholders   | 49 (IV G)    | Yes | Disclosed in the Annual Report 2011-12. Will be disclosed in the Annual Report for 2012-13.   |
| V. CEO/CFO Certification   | 49 (V)       | Yes | The CEO/CFO certificate was placed at the meeting of the Board of Directors of the Company held on 18 <sup>th</sup> May, 2012 for approving annual financial statement for 2011-12. A similar certificate will be placed at the Board meeting, inter alia, for approving annual accounts for 2012-13, in compliance with this clause. |
| VI. Report on Corporate Governance   | 49 (VI)      |     |   |
| i) Separate Section on Corporate Governance in the Annual Report                   | 49 (VI)(i)   | Yes | Report on Corporate Governance formed part of the Annual Report 2011-12 separately and the same will form part of the Annual Report for 2012-13.  |
| ii) Submission of Quarterly Compliance Report to Stock Exchanges                   | 49 (VI)(ii)  | Yes | The Company has been submitting the quarterly Compliance Report on Corporate Governance to the BSE and NSE. Copies of the said report after submission to SEs are placed at every succeeding Board meeting of the Company.  |
| VII. Compliance  | 49 (VII)     |     |   |
| i) Auditors Certificate regarding compliance of conditions of Corporate Governance | 49 (VII) (1) | Yes | Complied in the Annual Report 2011-12 and Auditors' certificate for F.Y. 2011-12 has been sent to Stock Exchanges alongwith Annual Report.<br>Will be Complied in the Annual Report for 2012-13 and Auditors' certificate for F.Y. 2012-13 shall also be sent to Stock Exchanges alongwith Annual Report 2012-13.                     |
| ii) Mandatory & Non-Mandatory Requirements   | 49 (VII) (2) | Yes | Disclosures regarding compliance with the mandatory requirements and adoption / non-adoption of non-mandatory requirements under Clause 49 of the Listing Agreement on Corporate Governance was made in Annual Report 2011-12. Similar disclosures shall be made in the Annual Report for 2012-13.                                    |

For TORRENT PHARMACEUTICALS LIMITED



MAHESH AGRAWAL  
VP (LEGAL) & COMPANY SECRETARY